



**U.S. Department of Justice**  
Drug Enforcement Administration  
FOI/Records Management Section  
8701 Morrisette Drive  
Springfield, Virginia 22152

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Case Number: 18-00097-AP

**OCT 09 2018**

Subject: Copy of document entitled "Harrison Narcotic Law correspondence electronic resource"

Matthew Hoppock  
DocuFreedom, Inc.  
10985 Cody Street Suite 130  
Overland Park, Kansas 66210

Dear Mr. Hoppock:

This letter responds to your Administrative Appeal remanded on June 18, 2018 by the United States Department of Justice, Office of Information and Policy, for further processing of your Freedom of Information/Privacy Act request dated May 16, 2018. The processing of your request identified information that will be released to you in its entirety.

The rules and regulations of the DEA applicable to the Freedom of Information Act (FOIA) requests are contained in the Code of Federal Regulations, Title 28, Part 16, as amended. They are published in the Federal Register and are available for inspection by members of the public.

For your information, Congress excluded three discrete categories of law enforcement and national security records from the requirements of the FOIA. *See* 5 U.S.C. § 552(c). This response is limited to those records that are subject to the requirements of the FOIA. This is a standard notification that is given to all our requesters and should not be taken as an indication that excluded records do, or do not, exist.

You may contact our FOIA Public Liaison at 202-307-7596 for any further assistance and to discuss any aspect of your request. Additionally, you may contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services they offer. The contact information for OGIS is as follows: Office of Government Information Services, National Archives and Records Administration, Room 2510, 8601 Adelphi Road, College Park, Maryland 20740-6001; e-mail at [ogis@nara.gov](mailto:ogis@nara.gov); telephone at 202-741-5770; toll free at 1-877-684-6448; or facsimile at 202-741-5769.

If you are not satisfied with my response to this request, you may administratively appeal by writing to the Director, Office of Information Policy (OIP), United States Department of Justice, Suite 11050, 1425 New York Avenue, NW, Washington, DC 20530-0001, or you may submit an appeal through OIP's FOIAonline portal by creating an account on the following web site: <https://www.foiaonline.gov/foiaonline/action/public/home>. Your appeal must be postmarked or electronically transmitted within 90 days of the date of my response to your request. If you submit your appeal by mail, both the letter and the envelope should be clearly marked "Freedom of Information Act Appeal."

If you have any questions regarding this letter, you may contact Government Information Specialist J. Kewley at 202-307-7728.

Sincerely,



Katherine L. Myrick, Chief  
Freedom of Information/Privacy Act Unit  
FOI/Records Management Section

Number of pages released: 200

Number of pages withheld: 0



Pro-Nar  
L-ALT

September 27, 1923.

Memorandum for Colonel Nutt.

The following general suggestions regarding state laws regulating the sale and administration of narcotic drugs are submitted for your consideration:

In reviewing the state laws upon this subject it has been found that most of the statutes do not in terms prohibit the administration of narcotic drugs to addicts for the gratification of their addiction. The disposition of narcotic drugs by practitioners is generally limited by some such term as "for medicinal purposes" but this term may not be construed as prohibiting the administration of drugs to addicts. It is thought that such administration by practitioners should be limited to that "in the course of professional practice only" and a further provision might be added to the effect that a dispensing to an addict for the purpose of gratifying his addiction shall not be construed as a dispensing in the course of professional practice only.

The state laws should definitely state whether or not such practitioners as chiropractors, osteopaths, chiropodists, etc., are entitled to prescribe and dispense narcotic drugs in order that there would be no doubt as to whether they are entitled to registration under the Harrison Law. The qualifications which should be possessed by a hospital to enable it to possess and dispense narcotic drugs (i. e. whether a licensed pharmacist or physician should be in charge of the drug room) should be set forth specifically in the law in order that it might clearly appear whether such hospital was entitled to registration under the Harrison Law.

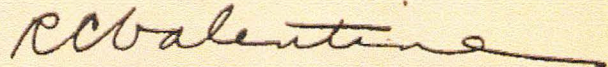
Every state law should contain a provision for the revocation of the license of any licensee who is found to be addicted to the use of narcotic drugs, or at least a provision suspending his license pending the presentation of



satisfactory evidence of a cure. Some of the states already have such provisions in their laws. They should be strictly enforced.

It should be made unnecessary, in any indictment or information filed under state law, to negative any exceptions which may be provided to the several enacting clauses of the state statutes.

Penalties, generally speaking, should be made more drastic. A violation of the state law should be made a felony rather than a misdemeanor.

A handwritten signature in dark ink, appearing to read "R. C. Valentine", with a long horizontal flourish extending to the right.

R. C. Valentine.  
Chief, Legal Section.

KR



CONGRESSIONAL RECORD

February 21, 1920.

Senate

Page 3433-4-5: Passage of bill (H.R.9023) to give effect to certain provisions of the convention for the protection of trade-marks and commercial names, made and signed in the city of Buenos Aires, inserting letters from Secretary Glass and Acting Secretary Rowe urging its passage.

House of Representatives.

Page 3471: Mr. Kelley of Mich. from the Committee on Naval Affairs, to which was referred bill (H.R.11927) as passed by the Senate Feb. 11, 1920, to increase the efficiency of the Navy and Coast Guard through the temporary provision of bonuses or increased compensation, reported the same with the recommendation that the Senate amendments be disagreed to and that the House agree to a conference, accompanied by a report, which said report was referred to the House Calendar.

By Mr. Green of Iowa: A bill (H.R.12682) for the enforcement of the national prohibition act by establishing and maintaining Government warehouses and for other purposes; to the Committee on Ways and Means.

By Mr. Kraus: A bill (H.R.12685) to repeal an act entitled "An act to authorizing the President to coordinate or consolidate executive bureaus, agencies, and offices, and for other purposes, in the interest of economy and the more efficient concentration of the Government"; to the Committee on the Judiciary.



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THE WASHINGTON POST: WEDNESDAY, JANUARY 9, 1935.

Post 1-9-35

The Harrison Law.

To the Editor of The Post—Sir:  
The Harrison narcotic law may be a good law, but I have very serious doubts about its beneficial effects to the country at large. Having practiced medicine a good many years before the law was passed, the writer is unable to see that it has reduced the use of narcotic drugs. The law has placed physicians in a precarious condition when they prescribe narcotic drugs. Before the Harrison narcotic law was passed physicians could practice their profession without fear or thought of being watched and persecuted and prosecuted if they prescribed an opiate to relieve suffering humanity. They should be the judge of a patient's condition and whether or not he or she needs narcotic medicine for relief.

The course that the Government is pursuing, in having detectives watch physicians in their honorable and humanitarian profession in trying to relieve human suffering, to see whether or not they are prescribing narcotic drugs, needs immediate attention and correction by the United States Congress.

No physician worthy of the name wants or desires to see people become narcotic addicts. Physicians as a class are humanitarian and want to relieve human suffering instead of increasing it. They ask to be free and not be hounded by Government detectives who are seeking the downfall and ruin of honest and high-minded physicians.

ALEX. S. GARRETT, M. D.  
Weatherford, Tex., Jan. 5.



May 15, 1934.

Dr. Fred W. Russe, Secretary,  
Mallinckrodt Chemical Works,  
St. Louis, Missouri.

My dear Dr. Russe:

Replying to your letter of May 12, 1934,  
please be advised that this office has been  
acquainted with the efforts of the St. Louis Post-  
Dispatch to achieve repeal of the Harrison Narcotic  
Law for some time.

In the absence of Commissioner Anslinger  
whose policy, it would seem to me, is to ignore the  
Post-Dispatch campaign, I would not take issue with  
the recent editorials. I would suggest that inasmuch  
as the Commissioner will be in Washington June 14th  
or 15th that you hold the matter in abeyance and take  
it up with him at that time.

The enclosures are returned herewith.

Very truly yours,

Louis Ruppel,  
Acting Commissioner.

Enclosures.



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Mr. Thompson:

Mr. P. has written  
to tell us about  
the said the Bureau  
should have copy of  
Dr. Lichtenstein's  
book on this subject  
& more. Also  
write other reports  
submitted.

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BUREAU OF NARCOTICS

FROM: LEGAL ADVISOR,  
NARCOTIC CONTROL

TO: Commissioner  
Deputy Commissioner  
Legal Administrative  
Returns  
Files  
Personnel  
Accounts  
Supplies

REMARKS:



C  
O  
P  
Y

MALLINCKRODT CHEMICAL WORKS

ST. LOUIS

May 12, 1934.

Commissioner of Narcotics  
Bureau of Narcotics  
Treasury-Annex A  
Washington, D. C.

Dear Sir:

The St. Louis Post-Dispatch has been conducting a campaign against the Harrison Narcotic Law. This has not been a vigorous campaign but, nevertheless, from time to time editorials have appeared advocating its repeal.

I have not been reading the editorials in the Post-Dispatch and, hence, it is only recently that these editorials have been brought to my attention. I have taken up with the Managing Editor this question and am now in receipt of the enclosed reply. As I believe Mr. Anslinger is now out of the country, I should like to have Mr. Ruppel or Mr. Tennyson consider this situation, and suggest a reply reinforced by facts or statistics. Will you also please when sending me the reply return the enclosed correspondence, copies of editorials, etc.

Very truly yours

MALLINCKRODT CHEMICAL WORKS

(sgd) F. W. Russe



C  
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Y

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Bureau of Narcotics  
Treasury Annex  
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Very truly yours

MALLINCKRODT CHEMICAL WORKS

(sgd) E. V. Susse



March 7-34  
WAR ON HABIT-FORMING DRUGS.

In its comment upon a recent Post-Dispatch editorial advocating repeal of the Harrison Anti-Narcotic Act, the Chattanooga (Tenn.) News grossly misapprehends our attitude. The News also exhibits ignorance of the effect of the Harrison Act upon drug traffic in the United States. Says the News: "The retreat from the war against opium is one retreat which we cannot afford to take, even in this age of retreating."

Far from championing retreat from the war on habit-forming drugs, the Post-Dispatch favors advancing it. The Harrison Act has caused the establishment of a vast bootlegging drug industry, which enforcing agents have found it impossible to suppress. This is because of the enormous profits in drug peddling. Whereas morphine's ordinary commercial price is about \$15 an ounce, it retails in bootleg circles at about \$440 an ounce. Small wonder that ghouls who prey on human misery and depravity contrive means of smuggling morphine into the country by the ton, regardless of governmental vigilance. Small wonder, too, that drug peddlers should encourage the spread of the narcotic habit, as they do.

Repeal of the Harrison Act would automatically kill the bootleg traffic. It would make morphine available to incurable addicts, under a strict licensing system, at a reasonable price. Such a licensing system, of course, would deny narcotics to all non-addicts and provide drastic penalties for abuse. Since thievery, the characteristic crime of addicts, is caused by the difficulty of paying enormous prices for drugs, a licensing system would destroy the incentive for depredations that now cost merchants and others millions of dollars a year.

In the realm of habit-forming drugs, the Harrison Act has failed as tragically as, in the case of intoxicating liquor, the eighteenth amendment. This is a matter of common knowledge among those charged with enforcement of the act and among penitentiary wardens, who find themselves unable even to stop smuggling into penal institutions. If we expect to make any headway against the narcotic traffic, as the Japanese did in Formosa, we shall have to make a fresh start.



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Feb 6-34  
Relief  
Prohibition

#### THE HARRISON LAW'S FAILURE.

In the past few years, we have repeatedly called attention to the tragic failure of the Harrison Narcotic Law, passed in 1914. Its history repeats the history of national prohibition, namely, aggravation of the condition which the law was supposed to cure. Because of the secretive habits of drug users, however, and other factors, the public is not well informed of



Feb 6-38  
Religion  
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While no accurate poll can be taken, it is estimated that drug-using has increased tenfold since the Harrison law was passed. President Hoover pointed out that the law contributes 33 1-3 per cent of our Federal prison population. Unlike the dry law, which affected only bootleggers, the narcotic law makes liable to imprisonment both peddlers and addicts. It operates under the mistaken theory that imprisonment is a cure for addiction, ignoring the fact that there is hardly a prison or jail in the country without an organized drug ring, which sells to inmates. The recent expose at Welfare Island, New York City, is typical of the general condition.

Dope smuggling is one of our large industries. Cocaine and morphine turned out in foreign factories enter the United States by the ton, despite all efforts to keep them out. The profits are enormous. Whereas the normal price is about \$15 an ounce, drugs are retailed to addicts at \$1 a grain, or \$437.50 an ounce. There is thus an incentive to peddlers, not only to keep their old customers supplied, but to encourage new addiction. In this business, customers, unless they are hauled to prison, are permanent ones. They have to have the drug.

There is a widespread belief that drug addiction and crime are synonymous. This is true only in a sense. Drug addiction itself is a disease. When an addict is deprived of a supply, he suffers excruciating physical agony which causes him to go to any length to provide the remedy. That is why the characteristic crime of drug addiction is thievery and why the Harrison law, vestly increasing the retail price of drugs, acts as an encouragement to crime.

There are numerous examples in history of distinguished men who were drug addicts. Thomas De Quincey, the great English writer, was one, as was Samuel Taylor Coleridge. Albrecht von Haller, Swiss anatomist and psychologist, considered the finest medical mind of the eighteenth century, used opium in large doses for many years before he died. These and thousands of other cases which might be cited show that, despite the deplorable effects of addiction, it is not in itself conducive to crime.

In a pamphlet just issued by the International White Cross, a league devoted to abolition of the Harrison law, is cited the interesting experiment of Japan upon the Chinese population of Formosa. When the island was ceded to Japan in 1895, it was found that 63 per cent of the population of 2,700,000, or 1,701,000, were opium smokers or eaters. Taking a realistic view of the situation, and knowing that there is no cure for drug addiction, the Japanese licensed habitual users and prohibited sales to others. By 1929, the number of addicts had decreased to 23,845 by deaths from old age and other causes, lack of illicit traffic and of new addicts. Formosa is now free from the drug curse, aside from Japan proper, than any other part of the Orient.

The Harrison law has cost many millions of dollars, directly and indirectly. For enforcement that does not enforce, \$32,000,000 has been spent, in addition to costs of state and municipal enforcement, transportation and maintenance of peddlers and addicts in jails and penitentiaries, a total estimated at \$125,000,000. Estimate of thefts, due to high prices for smuggled dope, for the last 18 years, is \$300,000,000. Altogether, the country has sustained losses of \$325,000,000, and has today more drug addicts by far than nations with less drastic laws.

In 1917, the Whitney Committee of New York reported to the Governor as follows: "Your committee believes it to be one of the first duties of the State to establish a supply of narcotic drugs to which the confirmed addict shall have access. . . . It has been exclusively established to our satisfaction that drug addiction, however acquired, is not of itself a vice but rather a disease, and one which affects honest and intelligent people in all walks of life. When the drug is not furnished, the victims suffer the most horrible and excruciating pain, from which they can obtain no relief except from a supply of the drug in accustomed quantity or a substituted medical treatment most intelligently and scientifically administered." The committee further said that any member of the medical profession who refuses to prescribe narcotic drugs to the honest addict is not living up to the high standards of his profession.

We, therefore, contend that repeal of the Harrison law and establishment of a license system would automatically kill the illicit drug traffic; it would insure the necessary doses to confirmed addicts, thus removing the incentive to crime; it would abolish the proselyting activities of the peddler; it would save the Government and private business millions of dollars; it would substitute sanity and realism for a law that has its roots in ignorance and hypocrisy.



Feb 6-38  
Pelin  
Morton

## THE HARRISON LAW'S FAILURE.

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In a pamphlet just issued by the International White Cross, a league devoted to abolition of the Harrison law, is cited the interesting experiment of Japan upon the Chinese population of Formosa. When the island was ceded to Japan in 1895, it was found that 4.3 per cent of the population of 3,700,000, or 163,100, were opium smokers or eaters. Taking a realistic view of the situation, and knowing that there is no cure for drug addiction, the Japanese licensed habitual users and prohibited sales to others. By 1929, the number of addicts had decreased to 23,845 by deaths from old age and other causes, lack of illicit traffic and of new addicts. Formosa is now free from the drug curse, aside from Japan proper, than any other part of the Orient.

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## ST. LOUIS POST-DISPATCH

ST. LOUIS, MO. May 11, 1934

*Please return to Mr. McAdams*

F. W. Russe, Esq.,  
Secretary,  
Mallinckrodt Chemical Works,  
Second and Mallinckrodt Sts.,  
St. Louis, Mo.

Dear Sir:

Mr. McAdams referred your letter to me because I have written most of the editorials advocating repeal of the Harrison law.

You are under a misapprehension as to the Post-Dispatch attitude. We are in favor of curtailing drug traffic, not of spreading it. We are against the Harrison law because it has had the effect of spreading it. However, rather than attempt to explain our position in this letter, I am sending you copies of various editorials which we have printed on the subject, which I believe fully explain our position. I am also sending you an article which is to be published in the Post-Dispatch tomorrow under the cartoon on the editorial page, by Dr. Perry M. Lichtenstein. This article was extracted from a book which Dr. Lichtenstein recently published. In the book he goes more fully into the problem. Dr. Lichtenstein was physician at the Tombs prison in New York for twenty years, and had constant contact with dope addicts. His views are very similar to ours. So are the views of Federal narcotic inspectors, who are intimately concerned with this problem, and whom we consulted before taking a position on this question.

Yours very truly,

*Ralph Coghlan*  
Ralph Coghlan.



## IS THE HARRISON ACT A FAILURE?

Post-Dispatch Editorial, September 29, 1929.

The time is ripe for a thorough inquiry into the workings of the Harrison act. This statute was designed and enacted by Congress more than fourteen years ago for the very laudable purpose of ending or drastically curtailing the habitual use of narcotic drugs. That it has not been entirely successful is generally known, but the extent to which it has failed probably is understood only by those who are directly concerned with its enforcement. If we are to accept the testimony of a large number of these officials, the attempt to prohibit the use of drugs has resulted in a more complete fiasco than the attempt to prohibit the use of intoxicating liquor. It is charged, and frequently admitted, that the actual effect of the law has been to increase the number of drug addicts, and to create two new classes of criminals, namely, the peddlers of drugs and those who turn criminals in order to pay the extortionate prices which the peddlers demand.

Government statistics on the subject strongly tend to corroborate these accusations. Comparing them for the years 1922 and 1928, for example, we discover the following: the number of convictions under the law in 1922 was 3104 as against 4738 in 1928. The number of compromised cases in 1922 was 515, as against 1221 in 1928. Most impressive of all, the prison sentences imposed in 1922 totalled 2814 years, as against 8786 years in 1928!

The year 1926 witnessed a change in the policy of the Federal courts toward offenders under the law. During 1925 there had been 5600 convictions, 1105 cases had been compromised, and fines totalling \$453,000 had been assessed. Concluding that fines were ineffective, Federal Judges adopted the policy of inflicting severer prison sentences. Thereafter the amount taken in fines steadily declined, while the total number of years in prison sentences vastly increased, with the result that while in 1925 the 5600 convictions had resulted in total prison sentences of 6361 years, in 1928 the 4738 convictions resulted in prison sen-



tences totalling 8786 years. Yet even the policy of severity failed to halt the growing use of drugs. It is now estimated by competent authorities that there are 10 times as many drug addicts in the United States as there were in 1915, the year the Harrison Act went into effect.

Various reasons are advanced for this shocking condition. First, it is pointed out that the passage of the act created a new form of illicit traffic, with tremendous profits. The amount of these profits may be inferred from the fact that the wholesale price of cocaine or morphine for legitimate purposes is about \$12.50 an ounce, and that an ounce of either brings in the illegitimate trade, \$437.50. An ounce contains 437 1-2 apothecary grains, and the standard price of the dope peddlers to addicts is \$1.00 a grain.

This huge margin of profit lures many desperate characters into the traffic, and it makes them hungry for more customers. The illicit supply of drugs appears to be abundant, so abundant, in fact, that there are numerous authenticated instances in which peddlers have been detected in cultivating drug addiction among young people, in order to create new markets for their wares. Despite the severe penalties imposed by the courts for the sale of narcotics, the number of arrests has continued to multiply, and one explanation is the fact that a large majority of those who are sentenced are not professional peddlers, but are addicts who have been inveigled or entrapped into making sales out of their own personal supplies. Federal Judges are aware of this, but they defend the practice of sentencing addicts as peddlers on the admittedly persuasive ground that addicts can be cured only under prolonged confinement.

Prior to the passage of the law, drug addicts were known to the police generally as a harmless class of unfortunates. Their native timidity and weakness, in fact, usually was responsible for their surrender to the habit. Before the sale of narcotics was prohibited, the large majority of addicts had jobs, usually of a light menial character, by which they earned enough to enable them to satisfy their cravings. When the Harrison act outlawed the sale of drugs, thus enabling the illicit peddlers to charge tremendous prices, many of the addicts turned to crime as the only means of getting the money to buy what they craved. Now they

are constantly detected in property crimes, ranging all the way from stealing automobile accessories to robbing banks. Such crimes were almost unknown prior to the passage of the act.

When President Hoover made inquiries preliminary to appointing his Commission on Law Enforcement, he discovered that 33 per cent of the inmates of Federal prisons were sentenced under the Harrison act. At the present time, the government is negotiating for the purchase of two large farms, one in the Middle West and another in the Far West, to which some of these prisoners may be transferred, thus relieving the present prison congestion. It may be said, of course, that the increasing number of arrests and convictions under the law merely prove that enforcement has become more effective. But such a contention is contrary to the experience of all those who are connected with it. The fact is that the enforcement of the Harrison act has become steadily less efficient, due to the transfer of experienced narcotic enforcement agents to the prohibition unit.

It is plain that the Harrison act has not accomplished the purpose for which it was intended. Whether that is due to the act or to the enforcement methods, the Post-Dispatch does not pretend to say. But we do say that the situation urgently needs investigating, so that the proper remedies may be ascertained and adopted. Obviously, such an inquiry is precisely in line with the purpose for which President Hoover appointed the Law Enforcement Commission. In Judge Kenyon, the commission possesses a member with a vast amount of first-hand knowledge of the subject. To President Hoover and Chairman Wickersham we earnestly recommend that this work be undertaken.



## ST. LOUIS POST-DISPATCH

ST. LOUIS, MO. May 11, 1934

*Please return to J. W. Russe with acknowledgment*

F. W. Russe, Esq.,  
Secretary,  
Mallinckrodt Chemical Works,  
Second and Mallinckrodt Sts.,  
St. Louis, Mo.

Dear Sir:

Mr. McAdams referred your letter to me because I have written most of the editorials advocating repeal of the Harrison law.

You are under a misapprehension as to the Post-Dispatch attitude. We are in favor of curtailing drug traffic, not of spreading it. We are against the Harrison law because it has had the effect of spreading it. However, rather than attempt to explain our position in this letter, I am sending you copies of various editorials which we have printed on the subject, which I believe fully explain our position. I am also sending you an article which is to be published in the Post-Dispatch tomorrow under the cartoon on the editorial page, by Dr. Perry M. Lichtenstein. This article was extracted from a book which Dr. Lichtenstein recently published. In the book he goes more fully into the problem. Dr. Lichtenstein was physician at the Tombs prison in New York for twenty years, and had constant contact with dope addicts. His views are very similar to ours. So are the views of Federal narcotic inspectors, who are intimately concerned with this problem, and whom we consulted before taking a position on this question.

Yours very truly,

*Ralph Coghlan*  
Ralph Coghlan.

## IS THE HARRISON ACT A FAILURE?

Post-Dispatch Editorial, September 29, 1929.

The time is ripe for a thorough inquiry into the workings of the Harrison Act. This statute was designed and enacted by Congress more than fourteen years ago for the very laudable purpose of ending or drastically curtailing the habitual use of narcotic drugs. That it has not been entirely successful is generally known, but the extent to which it has failed probably is understood only by those who are directly concerned with its enforcement. If we are to accept the testimony of a large number of these officials, the attempt to prohibit the use of drugs has resulted in a more complete fiasco than the attempt to prohibit the use of intoxicating liquors. It is charged, and frequently admitted, that the actual effect of the law has been to increase the number of drug addicts, and to create two new classes of criminals, namely, the peddlers of drugs and those who turn criminals in order to pay the extortionate prices which the peddlers demand.

Government statistics on the subject strongly tend to corroborate these accusations. Comparing them for the years 1922 and 1928, for example, we discover the following: the number of convictions under the law in 1922 was 3104 as against 4738 in 1928. The number of compromised cases in 1922 was 515, as against 1221 in 1928. Most impressive of all, the prison sentences imposed in 1922 totalled 2814 years, as against 8786 years in 1928!

The year 1926 witnessed a change in the policy of the Federal courts toward offenders under the law. During 1925 there had been 5600 convictions, 1105 cases had been compromised, and fines totalling \$453,000 had been assessed. Concluding that fines were ineffective, Federal Judges adopted the policy of inflicting severer prison sentences. Thereafter the amount taken in fines steadily declined, while the total number of years in prison sentences vastly increased, with the result that while in 1925 the 5600 convictions had resulted in total prison sentences of 6361 years, in 1928 the 4738 convictions resulted in prison sen-



tences totalling 8786 years. Yet even the policy of severity failed to halt the growing use of drugs. It is now estimated by competent authorities that there are 10 times as many drug addicts in the United States as there were in 1915, the year the Harrison Act went into effect.

Various reasons are advanced for this shocking condition. First, it is pointed out that the passage of the act created a new form of illicit traffic, with tremendous profits. The amount of these profits may be inferred from the fact that the wholesale price of cocaine or morphine for legitimate purposes is about \$12.50 an ounce, and that an ounce of either brings in the illegitimate trade, \$437.50. An ounce contains 437 1-2 apothecary grains, and the standard price of the dope peddlers to addicts is \$1.00 a grain.

This huge margin of profit lures many desperate characters into the traffic, and it makes them hungry for more customers. The illicit supply of drugs appears to be abundant, so abundant, in fact, that there are numerous authenticated instances in which peddlers have been detected in cultivating drug addiction among young people, in order to create new markets for their wares. Despite the severe penalties imposed by the courts for the sale of narcotics, the number of arrests has continued to multiply, and one explanation is the fact that a large majority of those who are sentenced are not professional peddlers, but are addicts who have been inveigled or entrapped into making sales out of their own personal supplies. Federal Judges are aware of this, but they defend the practice of sentencing addicts as peddlers on the admittedly persuasive ground that addicts can be cured only under prolonged confinement.

Prior to the passage of the law, drug addicts were known to the police generally as a harmless class of unfortunates. Their native timidity and weakness, in fact, usually was responsible for their surrender to the habit. Before the sale of narcotics was prohibited, the large majority of addicts had jobs, usually of a light menial character, by which they earned enough to enable them to satisfy their cravings. When the Harrison act outlawed the sale of drugs, thus enabling the illicit peddlers to charge tremendous prices, many of the addicts turned to crime as the only means of getting the money to buy what they craved. Now they



are constantly detected in property crimes, ranging all the way from stealing automobile accessories to robbing banks. Such crimes were almost unknown prior to the passage of the act.

When President Hoover made inquiries preliminary to appointing his Commission on Law Enforcement, he discovered that 33 per cent of the inmates of Federal prisons were sentenced under the Harrison act. At the present time, the government is negotiating for the purchase of two large farms, one in the Middle West and another in the Far West, to which some of these prisoners may be transferred, thus relieving the present prison congestion. It may be said, of course, that the increasing number of arrests and convictions under the law merely prove that enforcement has become more effective. But such a contention is contrary to the experience of all those who are connected with it. The fact is that the enforcement of the Harrison act has become steadily less efficient, due to the transfer of experienced narcotic enforcement agents to the prohibition unit.

It is plain that the Harrison act has not accomplished the purpose for which it was intended. Whether that is due to the act or to the enforcement methods, the Post-Dispatch does not pretend to say. But we do say that the situation urgently needs investigating, so that the proper remedies may be ascertained and adopted. Obviously, such an inquiry is precisely in line with the purpose for which President Hoover appointed the Law Enforcement Commission. In Judge Kenyon, the commission possesses a member with a vast amount of first-hand knowledge of the subject. To President Hoover and Chairman Wickersham we earnestly recommend that this work be undertaken.



# THE MIRROR THE PROBLEM OF DRUG ADDICTION

A VERY large and perplexing group (of criminal types) is made up of those men and women who are in the mercenary grip of drug addiction. Far too few persons realize the gravity of the present narcotic problem in America or read the grave patients which worry doctors, narcotics agents and practical sociologists.

Estimates of the number of addicts in this country vary from 100,000 to 1,000,000. The serious student soon learns that there are more addicts in the upper and middle strata of our society than there are in the underworld. A wealthy addict is never arrested, because he does not have to go out on the street to purchase his drug. Accordingly, most of our statistics are based upon the arrests of pauper addicts and those who are criminally inclined.

If popular misconceptions have given the reader the impression that the drug addict is only scum-of-the-earth and not entitled to any decent person's sympathy or concern, an examination of those confined in our narcotics tier, and observation of the terrible degeneration, the abscesses and ulcers, the gangrenous spots on their bodies, would quickly convince him that something must be done to abolish the drug evil. In addition to physical suffering, addicts are also tormented by morbid depression, and at this time we must be constantly on guard against attempts at suicide.

While we preach reduction of crime, we shut it by imprisonment of these mentally, physically and emotionally unstable individuals. When one has lived with them, as I have for 15 years, he becomes convinced that all principles of humanity are being violated in imprisoning non-criminal addicts. How they suffer when deprived of the drug! That is one reason why they commit crimes.

There is practically not a single hospital in the State of New York (with the exception of the Metropolitan in New York City) and I dare say, throughout the country, not inclusive of California, that admits addicts for treatment.

Richmond P. Johnson writing in Narcotic Education (July, 1929), says: "Narcotic drug addiction is the major factor in law violation in the United States. The latest report of the United States Penitentiary, Leavenworth, Kan., is typical and shows 103 prisoners convicted under the Narcotic Drug Act, out of a total of 3305. The next group is those convicted under the Prohibition Act, 547. In all three penitentiaries, the total number under the Narcotic Drug Act is 2410, making 33 per cent of the total, whereas the number convicted under the Prohibition Act is 1401, or 14.7 per cent."

"A survey of the prisons of New York City shows that approximately half of all prisoners convicted for moral turpitude offenses are drug addicts, being far in excess of any other group."

Addiction is like a contagious disease, for one addict may be responsible for the creation of a score of others. Indeed, the principal cause of addiction is association.

What physicians should keep to mind in the treatment of addicts is that a great many of them were psychopathic inferiors before they began to use narcotics, and that it is not sufficient merely to take them off the drug. One must treat their mental condition, and convince them that they can do without the drug. The actual treatment therefore, should span several months, although it is not necessary for the patient to receive morphine during that entire period. Limiting doses for about two weeks will be found adequate in some cases, in others a somewhat longer period will be required. But it is vitally necessary to restore the patient's inhibitory powers or, in other words, it is the physician's duty to make a man of a coward.

But treatment means not alone taking a person off the drug; it means leading him off. With our present laws, it is practically impossible to effect a permanent cure of the underworld addict. Today the country is flooded with dope. Measures that have been introduced in Congress are not the proper measures to solve the problem, and their enforcement is occasionally hindered by incompetence and dishonesty. The Federal grand jury, investigating narcotic conditions in New York City, found Federal agents working hand in hand with gamblers, peddled records, big narcotic peddlers escaping arrest, and at least one narcotic agent who was a drug addict.

In view of the fact that it has been the custom to date in send non-criminal addicts to prison, this producing more criminals, some action must be taken to remedy the situation. It is proposed to add to the Uniform Narcotic Act, adopted by the majority of the states, the following amendment: This resolution has been adopted by the World Narcotic Defense Association, subject to the author's suggestion:

1. That provision be made for the treatment of narcotic drug addicts as sick persons, instead of as criminals, where their only offense was illegal possession of the drug.

2. That this treatment ought to be provided in special institutions under Government supervision, and provide such action by the state, in existing hospitals.

3. That a bill be drafted and presented to the various legislatures, supplementary to the proposed Uniform Narcotic Drug Act, creating proper facilities for treatment and rehabilitation of these unfortunates.

Shocking disclosures of traffic in drugs have come to light as the result of a raid on the New York County Penitentiary. It has been proved conclusively that a "drugging" in an institution leads to a break in discipline, gambling and other vices, and even to murder.

It is practically impossible to prevent smuggling of narcotics. The Federal authorities have not sufficient appropriations to carry on. They do the best they can, and too much cannot be said in praise of the work they have done. The Harrison Act is but a revenue measure. The other laws have had no marked deterrent effect on the drug situation. I am aware that there will probably be criticism of the recommendations about to follow, nevertheless, they seem to me to be logical, and, if adopted, should solve the addiction problem as concerns this country. I propose the following:



THIS-MIRROR  
THE PROBLEM OF DRUG ADDICTION

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If popular misconceptions have given the reader the impression that the drug addict is only a scum-of-the-earth and not entitled to any decent person's sympathy or concern, an examination of these confined in our reformatory, the abcesses and ulcers, the gangrenous spots on their bodies, would quickly convince him that something must be done to abolish the drug evil. In addition to physical suffering, addicts are also tormented by morbid depression, and at the Tomb we must be constantly on guard against attempts at suicide.

While we preach reduction of crime, we abet it by imprisonment of these mentally, physically and emotionally unstable individuals. When one has lived with them, as I have, for 15 years, he becomes convinced that an principle of humanity are being violated in imprisoning a non-criminal addict. How they suffer when deprived of the drug! That is one reason why they commit crimes.

There is practically not a single hospital in the State of New York (with the exception of the Metropolitan in New York City) and I dare say, throughout the country, not inclusive of California, that admits addicts for treatment.

Richmond P. Hobson writing in Narcotic Education (July, 1922), says: "Narcotic drug addiction is the major factor in law violation in the United States. The latest report of the United States Penitentiary, Leavenworth, Kan., is typical, and shows 1079 prisoners convicted under the Narcotic Drug Act, out of a total of 2303. The next group is those convicted under the Prohibition Act, 543. In all three penitentiaries, the total number under the Narcotic Drug Act is 2419, making 33 per cent of the total, whereas the number convicted under the Prohibition Act is 4371, or 44.7 per cent."

A survey of the prisons of New York City shows that approximately half of all prisoners convicted for moral turpitude offenses are drug addicts, being far in excess of any other group.

Addiction is like a contagious disease, for one addict may be responsible for the creation of a score of others. Indeed, the principal cause of addiction is association.

What physicians should keep in mind in the treatment of addicts is that a great many of them were psychopathic inferiors, before they began to use narcotics, and that it is not sufficient merely to take them off the drug. One must treat their mental condition, and convince them that they can do without the drug. The actual treatment, therefore, should span several months, although it is not necessary for the patient to receive morphine during that entire period. Diminishing doses for about two weeks will be found adequate in some cases; in others, a somewhat longer period will be required. But it is still necessary to reduce the patient's inhibitory powers or, in other words, it is the physician's duty to make a man of a coward.

But treatment means not alone taking a person off the drug; it means keeping him off. With our present laws it is practically impossible to effect a permanent cure of the underworld addict. Today the country is flooded with dope. Measures thus far introduced in Congress are not the proper measures to solve the problem, and their enforcement is occasionally hindered by incompetency and dishonesty. The Federal grand jury investigating narcotic conditions in New York City, found Federal agents working hand in hand with gamblers, peddled records, big narcotic peddlers evading arrest, and at least one narcotic agent who was a drug addict.

In view of the fact that it has been the custom to date to send non-criminal addicts to prison, thus producing more criminals, some action must be taken to remedy the situation. It is proposed to add to the Uniform Narcotic Act, adopted by the majority of the states, the following amendment. This resolution has been adopted by the World Narcotic Defense Association, subject to the author's suggestion:

1. That provision be made for the treatment of narcotic drug addicts as sick persons instead of as criminals, where their only offense was illegal possession of the drug.

2. That this treatment ought to be provided in special institutions under Government supervision, and pending such action by the state, in existing hospitals.

3. That a bill be drafted and presented to the various Legislatures, supplementary to the proposed Uniform Narcotic Drug Act, creating proper facilities for treatment and rehabilitation of these unfortunate.

Shocking disclosures of traffic in drugs have come to light as the result of a raid on the New York County Penitentiary. It has been proved conclusively that a drug ring in an institution leads to a break in discipline, gambling and other vices and even to murder.

It is practically impossible to prevent smuggling of narcotics. The Federal authorities have not sufficient appropriations to carry on. They do the best they can, and too much cannot be said in praise of the work they have done. The Harrison Act is but a ravine measure. The other laws have had no marked deterrent effect on the drug situation. I am aware that there will probably be criticism of the recommendations about to follow, nevertheless, they seem to me to be logical, and, if adopted, should solve the addiction problem as well across this country. I propose the following:









THE GENERAL COUNSEL OF THE TREASURY  
WASHINGTON, D.C. 20220

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Jen

12/10/65

Sir:

Enclosed are four copies of a draft bill, "To amend the Internal Revenue Code of 1954 to remove the restrictions on charges for certain narcotic order forms", which the Treasury Department proposes to transmit to the House of Representatives, together with copies of the proposed letter of transmittal, of an analysis of the bill and of a comparative print.

The proposed legislation is part of the Treasury Department's program to implement Bureau of the Budget Circular A-25 relating to user charges for Government services.

Is there any objection to the submission of the proposed legislation?

Sincerely yours,

Fred B. Smith  
Acting General Counsel

The Director

Bureau of the Budget

Returned to Treasury  
12/10/65





Mr. David C. Acheson  
Special Assistant to the Secretary (for Enforcement)

September 30, 1965

George H. Gaffney  
Acting Commissioner of Narcotics

User Charges

Referring to your memorandum of September 25, 1965, it is our understanding of the correspondence between Mr. Betts and Mr. Surrey that the Department does not oppose increasing "user charges", but opposes any increase in "taxes".

The memorandum directed to Mr. Betts by Commissioner Giordano was not intended as recommended action on our part, but was submitted at Mr. Betts' request as items for possible consideration. In fact, Commissioner Giordano pointed out in his final paragraph that further discussions should be held before making any final decision.

Mr. Surrey's analysis is persuasive, and there is no doubt that the Harrison Narcotic Act (P.L. 223-63, December 17, 1914) was intended to prevent the growing use of narcotics deemed by Congress as a menace to the Nation. However, the Act was a revenue measure and was not intended merely to accomplish a moral end. In other words, the declared object of the Act of 1914 was to provide revenue, and the courts have held that whatever moral end it may have in view must be reached only through a revenue measure and within the limits of a revenue measure. Clearly, the Act of 1914 can be upheld only as a revenue measure, and it must be interpreted and applied accordingly.

While we do not suggest at this time that the taxes should be increased, there is a need to keep the taxing provision in its proper perspective. Any official pronouncement that it is solely for the purpose of controlling drug abuse will cast grave doubts upon its constitutionality.

I should like to point out that there is precedent for making changes in the occupational tax. In the Act of 1914, the tax imposed on everyone who engaged in any narcotic activity was \$1.00. By the Act of February 24, 1919 (P.L. 254-65) which was brought about by the Revenue Act of 1918, approved October 3, 1917 (a general tax in-



crease), the occupational tax was increased on importers and manufacturers to \$24.00; on wholesalers to \$12.00; on retailers to \$6; and on physicians to \$3.00. The tax was again changed by the Act of May 29, 1928 (P.L. 562-70), which lowered the tax on retailers to \$3.00, and on physicians to \$1.00. There is support for the argument that had Congress desired to establish only a guise under which Federal policing powers could be invoked, there would have been no need to have increased the taxes in 1919.

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Mr. Keith:

/ Attached tabulation show drug  
addiction in New York City is referred  
to you for your information.

  
Chief, Miscellaneous Division

MRL



NUMBER OF ADDICTS UNDER TREATMENT IN THE CITY OF NEW YORK AS REPORTED  
BY DRUGGISTS AND PHYSICIANS.

| District: | Male, all:<br>ages ex-<br>cept 21<br>to 31: | Female,<br>all ages: | Male,<br>under 21: | Male,<br>over 31: | Total  | Male, 21:<br>to 31: | Total  |
|-----------|---|----------------------|--------------------|-------------------|--------|---------------------|--------|
| First...  | 148:  | 398:                 | 10:                | 230:              | 786:   | 226:                | 1,012: |
| Second... | 16:   | 353:                 | 5:                 | 313:              | 687:   | 589:                | 1,276: |
| Third...  | 39:   | 764:                 | 16:                | 728:              | 1,547: | 2,101:              | 3,648: |
| Total...  | 203:  | 1,515:               | 31:                | 1,271:            | 3,020: | 2,916:              | 5,936: |

\* REPORTS CONTAIN THE NAME AND ADDRESS OF EACH ADDICT.

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|  |              |
|--|--------------|
| Number of physicians registered in the city of New York.....     | 7,053        |
| Number of retail dealers registered in the city of New York..... | <u>2,510</u> |
| Total.....   | 9,563        |
| Total number druggists and physicians reporting addicts.....     | 859          |

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①

Outline for the Investigation of the  
Traffic in Habit-Forming Drugs.

1. Collect information through the Bureau of Internal Revenue relating to the total number of drug addicts of all kinds and classify as follows:
  - a. Addicts (male) of draft age.
  - b. Addicts (male) not affected by the draft.
  - c. Number of female addicts below the age of 18.
  - d. Number of female addicts beyond the age of 18.
  - e. Total number of all addicts.
2. Collect all available information relating to the drugs used by addicts and classify as follows:
  - a. Number of persons addicted to the use of drugs of the morphine group: opium (all forms), morphine, methyl morphine (codeine), diacetyl morphine (heroin), ethyl morphine (dionin), pantopon, paregoric, Dover's powders, laudanum, tincture of opium with saffron (Sydenham's laudanum), brown mixture, aromatic powder of chalk and opium, elixir of terpin hydrate and codeine, elixir of terpin hydrate and diacetyl morphine (heroin), syrup of codeine, syrup of Dover's powder, syrup of morphine and acacia, Bateman's drops, et cetera. NOTE: Make a special note of the above preparations which are exempt at present under the Harrison law.
  - b. Number of persons addicted to the use of cocaine or its substitutes: betaeucaine hydrochloride, betaeucaine lactate, orthoform - new, anesthesin, novocaine, stovaine, alypin, tropacocaine hydrochloride, cocaine containing snuffs, catarrh cures, eye lotions containing cocaine, et cetera.
  - c. Number of persons addicted to the use of peyote or cannabis preparations (hashish, bhang, extract, fluid-extract and tincture), Piso's cough cure and other proprietary preparations containing cannabis.
  - d. Number of persons addicted to the use of the so-called hypnotics: chloral hydrate, butyl-chloral sulphonal, *Trional*, *Tetronal*, *veronal*, *ledonal*, *adalin*, etc

*Insert here  
par 4 -*



- (2)
2. Obtain all available information concerning the traffic in these drugs with special reference to the following:
- showing separately material the crude or raw and of finished products*
- a. Quantities imported. Also names of importers and persons or firms from whom obtained.
  - b. Quantities exported. Also names of exporters and of persons to whom exported.
  - c. Quantities of these drugs manufactured in this country and names of manufacturers. Also names of the persons or firms to whom the manufacturers sell.
  - d. Quantities manufactured before and since the passage of the Harrison law.
  - d. *same information as to exempt preparation*
  - e. Wholesaler's source of supply and quantities handled.
  - f. Retailer's (druggist's, physician's, dentist's, veterinarian's, nurses, etc.) source of supply and quantities handled.
  - g. Laymans source of supply and quantities consumed for legitimate purposes *through prescriptions or by dispensing physicians*
  - h. Addicts source of supply and quantities consumed.
3. Obtain all available information concerning the manner in which addicts make use of these drugs, viz:
- a. By smoking or chewing.
  - b. By snuffing.
  - c. By external application (as an ointment or liniment).
  - d. By mouth (liquids or powders).
  - e. By rectum (suppository).
  - f. By hypodermic syringe.
  - g. Etc.
4. Obtain all available information with regard to the manner in which individuals become addicted and the effect upon them, viz:



- a. Manner of acquiring the habit.

NOTE: Information of this nature may be obtained from a survey of rescue homes (Florence Crittenden, the McCall Mission, etc.) and records of night courts, where they exist.

- b. Effect upon the addicts health and morals.

- c. The influence of the addict upon his or her associates.

*d - upon offspring of those addicted -*

- 5. Obtain all available information which has a bearing on the care and treatment of addicts, viz:

- a. Detailed information concerning all proposed and recognized forms of treatment.

NOTE: Differentiate between treatment in public and private institutions. Also look into the treatment given addicts in country almshouses, work houses and similar institutions.

- b. Obtain information concerning fake cures and the panacea artists.

- 6. Obtain all available information concerning opposition to legislation which tends to regulate the use of drugs:

- a. Attitude of the commercial interests, the importer, manufacturer, wholesaler and retailer.

- b. Attitude of the medical practitioner.

- c. Attitude of the drug trade.

- d. Attitude of the public

- e. Etc.

- 7. Make a survey of the laws governing the sale of these drugs with reference to:

- a. Laws of foreign countries.

- b. State laws.

- c. Good points in the laws of foreign countries or state laws which are not in the Federal law.

- d. Improvement of the effectiveness and usefulness of the Federal law.

*e - municipal laws and regulations*



7. Pantopon.
8. Paregoric.
9. Dover's powders.
10. Laudanum.
11. Sydenham's laudanum.
12. Brown's mixture.
13. Aromatic powder of chalk and opium.
14. Elixir of terpin hydrate and codeine.
15. Elixir of terpin hydrate and diacetyl morphine .
16. Syrup of codeine.
17. Syrup of morphine and acacia.
18. Bateman's drops.

(b) Obtain the number of persons addicted to the following:

1. Cocaine and its substitutes as follows:
2. Petasocaine hydrochloride.
3. " lactate.
4. Orthoform - new.
5. Anesthesin.
6. Novocaine.
7. Steovaine.
8. Alypin.
9. Tropacocaine hydrochloride.
10. Cocaine containing snuffs, catarrh cures, etc.

(c) Number of male and female addicts of the following:

1. Peyote or cannabis preparations :
2. Hashish.
3. Bang.
4. Piso's cough cure, etc.

(d) Number of persons addicted to the following:

1. Chloral hydrate.
2. Butyl-chloral.
3. Sulphonal.
4. Trional.
5. Tetronal.
6. Veronal.
7. Hedonal.
8. Adalin, etc.



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8. Paregoric.
9. Dover's powders.
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11. Sydenham's laudanum.
12. Brown's mixture.
13. Aromatic powder of chalk and opium.
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7. Stovaine.
8. Alynin.
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10. Cocaine containing snuffs, catarrh cures, etc.

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3. Bhang.
4. Piso's cough cure, etc.

(d) Number of persons addicted to the following:

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2. Butyl-chloral.
3. Sulphonal.
4. Trional.
5. Tetronal.
6. Veronal.
7. Haldonal.
8. Adalin, etc.



3. Secure and collate all available information in regard to the manufacture and sale of narcotic and hypnotic drugs, as follows:

(a) Quantities imported:

1. Gum and crude opium for medicinal purposes.
2. Smoking opium.
3. Morphine.
4. Heroin.
5. Codeine.
6. Other alkaloids of opium classified.
7. Names of importers.
8. Ports of entry, classified according to the drugs imported.
9. Coca leaves.
10. Cocaine.
- 11.
12. Laudanum.
13. Paragoric.
14. Bateman's drops.
15. Brown's Mixture.
16. Terpin hydrate, and codeine.
17. Terpin hydrate and diacetyl morphine.

(b) Quantities produced or manufactured in this country:

1. Names of manufacturers and amounts of the following:
2. Opium.
3. Morphine.
4. Heroin
5. Codeins
6. Other alkaloids of opium classified.



August 3, 1918.

Mr. Commissioner:-

Attached hereto is a copy of the opinion of the United States Circuit Court of Appeals, Seventh Circuit, in the case of the United States vs Dr. A. L. Blunt, which I mentioned to you over the phone this morning.

You will note Dr. Blunt was charged with violation of Section 2, Harrison Act through obtaining, by means of official order forms, narcotic drugs for other than the lawful practice of medicine, and also for having made sales of drugs to one Joe Dean (Narcotic Inspector Peake) without having received order form therefor.

The court decided there was no authority under the Harrison law to regulate the practice of medicine, which is a police power of the state, and reverses the verdict of the lower court on those counts charging him with unlawful practice but sustaining the verdict on one count where he had made a sale as dealer of 2000 grains of morphine without being registered as a dealer.

This decision is a very serious blow to the enforcement of the provisions of Section 22 against physicians prescribing or dispensing abnormal quantities of narcotics to addicts, and if the Supreme Court in the two cases now pending involving the same question, should render similar decision the only recourse is a heavy tax on the drugs to be represented by stamps; heavy special taxes, and confining the sale and dispensing of the drugs to and from the original package.

Respectfully,





MEYER HOTEL CO.  
PROPRIETORS  
HOMER WILSON, MANAGER

# HOTEL HERMITAGE

FIREPROOF

EUROPEAN PLAN

250 ROOMS

250 BATHS

DIRECTION  
ROBERT R. MEYER

NASHVILLE, TENN.

July 17, 1918.

Mr. B. C. Keith,  
Deputy Revenue Commissioner,  
Washington, D. C.  
Dear Mr. K eith:

I beg to enclose a copy of the Frelinghuysen Drug Resolution which was introduced by the Senator following a study of the facts presented to him by me.

With reference to this will call upon you shortly.

Very truly yours,

*Chas. A. Rosewater*



65th Congress )  
2nd Session )

R.J. RES.

IN THE SENATE OF THE UNITED STATES

July 13, 1918.

Mr. Frelinghuysen submitted the following resolution;  
which was ordered to lie over under the rule.  
(Referred to Committee on Contingent Expenses)

R E S O L U T I O N

WHEREAS, it is openly charged by scientific men and statisticians, that the use of narcotic and habit-forming drugs is largely on the increase, not only in the form of opium, morphine, cocaine, heroin, and kindred opiates, but also certain so-called "soft-drinks" charged with caffeine, sold at innumerable fountains to our young men and young women; and,

WHEREAS, it is alleged that in the neighborhood of many of our military camps purveyors of these deleterious drugs are to be found, stealthily engaged in the sale of the same to our soldiers; and,

WHEREAS, certain caffeine-charged "soft-drinks", so-called, notoriously injurious to health, are openly sold to men in uniform; and,

WHEREAS, not only is the morale of soldiers, and of our young men and young women in general sensibly lowered by the prevalence of this habit; and,

WHEREAS, it is estimated that the actual money-loss to the nation, by reason of this state of affairs, amounts to hundreds of millions of dollars annually; and,

WHEREAS, the economic loss in wasted lives, in sickness, loss of wages, accidents, incapacity and crime, probably aggregates hundreds of millions of dollars additional; and,

WHEREAS, the existence of this evil has a demoralizing effect upon the efficiency of our army, to a degree not appreciated by the general public, therefore  
be it



1. RESOLVED by the Senate and House of Representatives of the United States of America in Congress assembled; that, The President of the United States be, and he hereby is, authorized to appoint a commission of citizens of the United States, not exceeding three in number, to make inquiry into the subject of narcotic and habit-forming drugs.
2. The said commission shall investigate the causes which lead to the use of such drugs, the extent of the use of such drugs and the kinds of drugs used, and shall also investigate the subject of the drug addict and such other factors as in its judgment have an important bearing upon the use of narcotic and habit-forming drugs, and shall recommend to the President the best methods in its judgment of regulating the importation, manufacture, sale and use of narcotic and habit-forming drugs, and of solving the problem presented by the drug addict.
3. The said commission shall report to the President on or before the convening of the next Congress, which report shall be transmitted by the President to Congress. The said commission shall select from its members a president and a secretary, and shall meet at such places in the United States as it may deem advisable, and it shall have the power to subpoena witnesses, and employ necessary assistants, provided the total expenditures under this resolution shall not exceed fifty thousand dollars, and that all actual expenses shall be approved by the President of the United States, and he shall fix the amount of compensation to be paid each commission.
4. The sum of Fifty Thousand Dollars be, and it is hereby, appropriated for the purpose above indicated.

From:

Dr. Chas. A. Rosewater,  
671 Broad Street,  
Newark, N. J.



July 12, 1918.

W. H. Fowle,

Care of Peninsular Finance Corporation,  
Norfolk, Virginia.

My dear Fowle:-

You will recall that in ~~my~~ review of the charges made against you by certain persons in St. Louis, several times you made statements and furnished me with names and information in regard to activities of certain field officers there, indicating protection of some narcotic dealers. I remember you told me of a widow woman who owned a drug store who was forced to pay tribute and also other suspicious circumstances in connection with one of the larger dealers.

I will greatly appreciate it if you will furnish me with this information, as I want to be in a position to give the officials here a full report as to the character of all our officers whenever they may request it. This will be strictly confidential.

Sincerely,



2

THE TREASURY DEPARTMENT

July 12, 1918.

M-371.

Chief of Revenue Agents:-

Attached hereto is copy of a communication received at the Department of Justice and referred to this office under date of the 10th instant from Daniel Hunt, Medical Officer, U. S. S. Atlixone, relative to alleged violations of the Harrison Narcotic Law by certain individuals in New York City, and at Norfolk, Virginia. It is requested that an investigation be made at New York, and at Norfolk in regard to this matter.

Deputy Commissioner.

L.

Encl.





OFFICE OF  
INTERNAL REVENUE AGENT  
BALTIMORE DIVISION

TREASURY DEPARTMENT

INTERNAL REVENUE SERVICE

BALTIMORE, MD.

July 1, 1918.

*File*

B. C. Keith, Esq.,  
Deputy Commissioner Internal Revenue,  
Washington, D. C.

Dear Mr. Keith:

Replying to your letter of the 29th ultimo, would state that I have visited the district and local boards and have their promises of assistance. I hope to be able to furnish the information requested, in whole or in part, by Saturday of this week.

Yours very truly,

*E. R. Feinstein*  
Narcotic Inspector.





OFFICE OF  
COMMISSIONER OF INTERNAL REVENUE

ADDRESS REPLY TO  
COMMISSIONER OF INTERNAL REVENUE  
AND REFER TO

32-DCV

TREASURY DEPARTMENT

WASHINGTON

July 2, 1914.

*File*

Mr. Keith,  
Deputy Commissioner,  
Bureau of Internal Revenue.

My dear Mr. Keith:

I shall be pleased at any time to receive from you or any of your subordinates criticisms of the work of the Division of Supplies and Equipment. Constructive criticism of prevailing methods or practices which may result in improvement in the service rendered by the Division will be especially welcomed.

It is our purpose to be as useful as possible to the several branches of the Bureau, and any practical suggestion that will assist us in carrying out this purpose will gladly be adopted, if permitted by law and by the rules and regulations in force in the Department and the Bureau.

It is hoped that you will be able to avail yourself of an early opportunity to devote a small part of your personal time to a survey of our present service, with a view to giving us the advice sought in this letter. For instance, could it not be practicable to speed up mail service to shorten the time between the receipt of letters in this Division and the mailing of answers thereto by your office or the office of the Commissioner? In what way can we cooperate to this end?

Very truly yours,

*Sam C. Tughran*

Head, Division of Supplies  
and Equipment.



| CLASS OF SERVICE | SYMBOL |
|------------------|--------|
| Day Message      |        |
| Day Letter       | Blue   |
| Night Message    | Nits   |
| Night Letter     | N L    |

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

# WESTERN UNION TELEGRAM

| CLASS OF SERVICE | SYMBOL |
|------------------|--------|
| Day Message      |        |
| Day Letter       | Blue   |
| Night Message    | Nits   |
| Night Letter     | N L    |

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

RECEIVED AT WYATT BUILDING, COR. 14th AND F STS., WASHINGTON, D. C.

D

B35AN 15 COLL 5 EX

OLDHICKORY TENN 920A 19

145

WON B KEITH

DEPUTY COMMISSIONER INTERNAL REVENUE WASHINGTON DC

HAVE HANDLED APPROXIMATELY 75 CASES AS YOU REFER TO IN YOUR  
TELEGRAM

F M HAROLD SUPT OF POLICE OLDHICKORY TENN.



June 5, 1918.

John D. Hursey, Esq.,  
Chief Revenue Agent,  
Washington, D. C.

Sir:

I have the honor to report that in pursuance of instructions from you, I have made the following investigations as to the narcotic situation in Cleveland. I find that most of the narcotics in Cleveland come from doctors and druggists, a small percent being smuggled. The biggest dealers are Dr. Warren, 8527 Broadway; Dr. Deacon, City Health Department; Dr. E. J. Kennedy, and Dr. Martin. Prescriptions from these doctors are filled at Peter Gilson's Drug Store, Twenty-second and Woodland Ave., and by Wilt E. Larmworthy, 1827 Edison Road. All of these doctors are acting under instructions from Dr. C. C. Bishop, head of the City Health Department, and are not supposed to take any money for writing the prescription. Reports have already been filed against the above-named doctors, by Inspector Geist, as I learned from him.

Dr. A. J. Idair, in the Mansfield Building, is also supplying about sixty addicts, giving them the supposed reduction free of cost, placing the morphine in a solution and reducing same from time to time, for which he receives \$1.25 a visit. Cards have been issued to him by the Collector of Internal Revenue, for a period of five months, ending about December, 1917. He also has some letters from the Collector in his possession, which makes it very hard to make a successful prosecution of the doctor.

Another doctor by the name of Loontjals, who runs the West Side Sanitarium at 58th and Euclid Avenue, is supplying seventy-five or one hundred addicts. This man has been prescribing in October, 1917, and the same so-called reduction treatment. Cases have been referred to him by Dr. Bishop of the City Health Department, and in my opinion, here again, it will be a very difficult matter to make a successful prosecution of this case. All of the above cases have been reported to the Department through Revenue Agent Collier.



June 5, 1928.

I have information that one Max Sperre, addict and peddler, taking treatment from Dr. Lowenthal, and living on 55th close to railroad avenue, has been peddling considerable narcotics. His connections have been through Jack Woods at Toledo.

Yee Des Yee, 1237 Ontario Street, Success Yum Company, 1295 Ontario Street, are the suppliers of opium to Chinese and whites, but most of their opium was coming from Toledo. Both of these places have been successfully raided. Some have been compromised and some are in jail waiting action of the Grand Jury but they still are running opium dens.

Respectfully,

Ralph H. Oyler  
Narcotic Inspector.



THOMPSON DRUG STORE

Purchases, Jan. 1, 1917, to July 16, 1917.

1,077½ ounces (8,620 drachms) morphine sulphate.  
24,100 1/4 grain tablets of morphine sulphate.  
5,000 1/4 grain " " "  
400 tablets of morphine and atropine.  
63,000 grains of granulated opium.  
-----

Prescriptions filled from Jan. 1, to July 16, 1917-

Narcotic- 9,642

Written by Dr. Saunders- 3,277

Those calling for morphine sulphate- 3,115

Those calling for morphine in quantities of  
1/8 ounce or more- 2,761

Those calling for morphine in quantities of  
less than 1/8 ounce- 354

Narcotic prescriptions written by Dr. Saunders  
that call for opium or other derivatives of that drug,  
principally the tincture of opium- 162



Prescriptions written by Dr. Ben Friedman, and filled by the Thompson Drug Store during the period from Jan. 1, 1917, to July 16, 1917.

Rx No. 743, dated March 30, 1917-

C. M. Adams, Salem, Oregon,  
4/8 ounces Morph. Sul., (addict).

Rx No. 806, dated July 25, 1917-

Maxine Madeare, 517 Jackson Ave., New Orleans.  
One and one-half Oz., (12 drachms) Mor. Sul.  
\$30.00 R.R. fare- 6 weeks supply.

Rx No. 255, dated April 14, 1917-

Mrs. Claud Stoley, 210 S. 9th St., Lincoln, Neb.  
One Oz. (8 drachms) Morph. Sul., (addict).

Rx. No. 359, dated June 28, 1917-

Verta Stoley, 210 S. 9th St., Lincoln, Neb.  
Five ounces (40 drachms) Morph. Sul.  
Fourth Mo. supply- R.R.fare \$44.00.

Rx No. 802, dated June 21, 1917, for 3/8 Oz. Morph. Sul.  
~~Rx No. 173~~ (addict) 2 weeks supply.

Rx No. 173, dated July 8, 1917, for 1/8 Oz. Morph. Sul.  
(addict)

Rx No. 162, " " 8, 1917, for 6/8 Oz. " "  
(addict)

All three of above prescriptions were issued to W. E. Kelly, 1416 St. Louis St., New Orleans, La., the last two being written and filled on same date.

~~Rx No. 173~~ Following prescriptions were issued to Arthur Allen, 210 Court St., Memphis, Tenn., May 9th to July 31, 1917.

Rx No. 300- Dated May 9, 1917, for 1/8 Oz. Morph. Sul.

426- " " 11, 1917, " 1/8 " " "

481- " " 12, 1917, " 1/8 " " "

558- " " 14, 1917, " 1/8 " " "

759- " " 16, 1917, " 1/8 " " "

859- " " 18, 1917, " 4/8 " " "

(Leaving City for one month)

901- " June 7, 1917, for 1/8 Oz. Morph. Sul./

827- " " 22, 1917, " 6/8 " " "

(Leaving City- Fifteen days supply)

534- June 30, 1917, for 6/8 Oz. Morph. "

(Leaving city- Two weeks supply)

687- July 16, 1917, for 6/8 Oz. " "

(Leaving city for three weeks)

504- July 31, 1917, for 10/8 " " "

(Patient leaving city for three weeks).

Note increase from 1/8 to 10/8. Also that drug does not last as long as statements would indicate, and physicians admission to supplying rather than treating patient.




THE COMMISSIONER OF INTERNAL REVENUE

May 9, 1918.

Mr. Keith:

Referring to the attached papers:

The Commissioner thinks that the only word in the Collector's letter that is really objectionable is the word "directed" which appears in the first sentence, although he agrees with you that the letter could have been more happily phrased throughout. Under the circumstances he suggests that we write Mr. Miles, suggesting that he might have used more "coaxing" language, and suggest a follow-up letter to those who did not respond to his first letter. Mr. Roper thinks our letter is a little stiff under the circumstances.







# TREASURY DEPARTMENT

OFFICE OF  
COMMISSIONER OF INTERNAL REVENUE

WASHINGTON

ADDRESS REPLY TO  
COMMISSIONER OF INTERNAL REVENUE  
AND REFER TO

May 7, 1918.

M-BCK

Collector of Internal Revenue,  
Baltimore, Maryland.

The attention of this office has been called to circular letter sent out by you under date of April 15th, to physicians in your district evidently based upon office letter to you on the 10th ultimo, and considerable complaint has arisen from the tone and language of your circular letter.

As you are aware, there is no authority in the Harrison Narcotic law empowering those charged with the enforcement thereof, to demand of physicians the information concerning the names, etc., of patients, and it was intended that this should be obtained through a carefully worded request which would, undoubtedly, meet the cooperation of the medical profession.

It is suggested that another communication be forwarded to those physicians to whom your letter of April 15th has been sent, explaining that this is not to be construed as a demand but an earnest request for their active cooperation in securing and compiling data which is very essential to the Government at this time.

IRM

Commissioner.



May 7, 1918.

M-BCK

Collector of Internal Revenue,  
Baltimore, Maryland.

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MRM

Commissioner.



2627  
DR. JOHN S. DORSEY,  
34TH & R.I. AVE.  
WASH. D.C.

OFFICE OF COLLECTOR INTERNAL REVENUE  
Room 232 Custom House  
Baltimore, Md.

April 15, 1918.

Sir,-

You are hereby directed to furnish this office, within ten days after receipt of this notice, a list or statement giving the following information:

Total number of drug addicts treated or prescribed for by you during the past year, ending December 31, 1917, listed as follows:

- (a) Number of male addicts of all ages
- (b) Number of male addicts between the ages of 21 and 31 inclusive, with names and addresses.
- (c) Total number of female addicts of all ages.

The term "drug addict" is to be construed as meaning any person who is a confirmed user of opium or coca leaves; their salts, derivatives or preparations.

All the information requested in this letter is absolutely necessary for the use of the Government in its work incident to the war in which we are now engaged. All data supplied will be held strictly confidential.

Kindly return this letter with your reply,

Respectfully,

JOSHUA W. MILES,

C. F. Kesting,

Collector,



*File*

DR. CHARLES A. ROSEWATER  
WISS BUILDING  
671 BROAD STREET  
NEWARK, N. J.

May 1, 1918.

Mr. B. C. Keith,  
Deputy Commissioner Internal Revenue,  
Washington, D.C.

Dear Mr. Keith:

Am about to make a survey of Louisiana, Alabama, and Georgia, and would be pleased to serve your committee in any way within my power.

With reference to this will take the liberty of calling upon you, Friday morning, May 3rd.

With most respectfully greetings,

Very truly yours,

*Chas. A. Rosewater*



*The Grunewald*

BEST HOTEL SOUTH

*New Orleans May 16/18.*

Mr. B. B. Keith  
Washington D.C.

Dear Sir: -

It may be of interest to note  
that Samson-Rosenblatt of 89 Fulton  
St., New York, have purchased from  
Finley-Dix Co. - New Orleans -

15 ounces of Cocaine March 7, 1918.

15 ounces of Cocaine April 16, 1918.

Very truly,

Chas. A. Rosewater







100

130 00

90

John Frew  
alias John Henry  
at Cleveland  
Special Emp Ohio  
2 Penitentiary  
records  
1 Highway robbery  
1 Larceny



One  
Order form filed with  
P. W. B. C. Phila  
6000 ounces of  
heroin from New York  
branch to ship  
Universal Drug Co.  
Montreal Canada



{ Jacob Malaga  
{ Max Singer  
{ asst Wallace  
{ Oscar Krishon  
{ Max Krishon

Jacob Krushman alias desperate Jake - (1 yr. 1 day)

Harry Kleni, alias little Itch - arrested (1 yr.)

James Baracco

Jeff Victor, 41 Beaver St., Albany, N. Y. (Empire Lunch)

Phil. Harvey, Phila.

Joseph Huttler (Chauffer) 55 Forsyth

Louis Schepps

Tony Palleggrino alias Wilson

Butch and Hawky

Willie  
Lustig Ben  
Jonesie  
Murphy the Kid  
Teddy  
Marlow

Hymie Fishel

J. Montag (Chauffer)

Sam Singer - Phila. pug. 37 years old, 5 ft. 11 - large scar  
on left thumb

Asher in Montreal



John D. Murphy,  
Chief Deputy.

I herewith submit a report of the work being carried on in the Narcotic Division together with a few suggestions which I offer for your consideration.

Up to the present time, 8999 persons have registered under the Narcotic Law for the present period, as compared against 9539 registrants for the last period. The difference is accounted for by the large number of physicians and dentists who have enlisted in the Military and Naval Service of the United States and dentists who are no longer required to register on account of novocain being ruled exempt.

A thorough canvass of the records on file brought to light a list of 1611 delinquents, some of whom had registered for the period July 1915 to June 1916 but who had not been re-registered for the two following periods, while others had registered for the first two periods but not for the present period, ending June 30, 1918. Notices of "Failure to Register Annually" were sent to each delinquent and up to date, 925 have registered and paid tax plus the 50% penalty for failure to disclose their liability at the proper time. A list of the delinquents, who have not replied to the letter sent out, is now being prepared and will be ready to be turned over to the Revenue Agent not later than March 1st.



## OFFICIAL ORDER FORMS.

On an average of 20 to 30 booklets of official order blanks are being issued each day. Records are scrutinized carefully and registrants who purchase order blanks at frequent intervals and in unusual quantities are required to furnish this office with a sworn statement showing the amount of the drugs purchased by them. Where such purchases are unusually large, a report is made to the Revenue Agent recommending that investigation be made as to the legality of such purchases.

Each year in this District there are a large number of new registrants under the Narcotic Law, there being 338 since July 1st, 1917, the majority of whom are physicians and dentists who have graduated from the Medical and Dental Colleges in the State. As a rule, I find that the new registrants know but very little about the Narcotic Law outside of the fact that the registration fee is \$1.00 a year and that they must be registered in order to be able to purchase narcotic drugs. I suggest that a Deputy be detailed to speak before the graduating classes of these colleges, such as Harvard Medical and Dental and Tufts Medical and Dental and that they explain the Narcotic Law in detail to them, give instructions in the use of official order blanks when purchasing narcotic drugs and the records they are required to keep when dispensing or distributing such drugs, etc. I think that such instructions would be beneficial to them and make them realize what is required of them.



3- Cases similar to the following arise from time to time.

Physicians and dentists will register under the Narcotic Law and receive a special tax stamp bearing their registry number and possibly official order forms are issued to them. Then, at the time of the next registration period this office is notified that, as they are no longer using narcotics, having discontinued the use of such drugs in their practice, they will not renew their registration. However, the registrant still has in his possession the registry number assigned to him by this office and possibly a number of official order blanks which could be used for purchasing narcotic drugs. I fail to see what there is to prevent these persons from writing prescriptions for narcotic drugs whenever they see fit inasmuch as they could use the registry number assigned to them when they were first registered.

Although the regulations provide that all unused order blanks are void at the expiration of the registration period, unless the registration is renewed and must be returned to this office for cancellation, this regulation is not always followed.

I think that, in all such cases, the names and addresses of all persons who notify this office that they will not re-register, should be turned over to the Revenue Agent and that Deputies or Inspectors in the field service be required to call on these persons and pick up all unused order forms and return them to this office for cancellation and also either destroy the narcotic drugs that may be in their possession or see that the drugs are properly disposed of to some duly registered person. This rule would also apply to deceased registrants, or registrants who have retired from practice or those no longer engaged in the business of handling narcotic drugs.



## PREScriptions.

The regulations provide that narcotic prescriptions be kept in a separate file away from the other prescriptions. I think that inspectors, when examining the narcotic records and the narcotic prescriptions in drug-stores, should also examine the other prescriptions as well to see if narcotic drugs are being dispensed or distributed on prescriptions which should be written as narcotic prescriptions and filed as such.

I find that there is a general misunderstanding amongst the registrants throughout the District as to what constitutes a narcotic prescription. I think that inspectors, when calling on registrants, should explain this part of the law to them.

## LOSSES by THEFT.

Losses by theft are constantly being reported to this office. I think that it should be insisted upon that narcotic drugs should be kept under lock and key at all times. *The Regs provide for this though there is no authority to enforce this law*

Deputies and inspectors in the Field Service should see that the following regulations are enforced,

- 1- That special tax stamps are posted in conspicuous places in the office or place of business of each registrant. *this is required by Law Regs*
- 2- That a sworn inventory, similar to the one filed at this office at the time of registration, is on file at the office or place of business of each registrant. *This is required now by Regs*



3- That narcotic drugs be segregated from the other stock and preparations. *This is automatically provided for by requiring Drugs to be kept*

4- That narcotic drugs be kept under lock and key at all times to prevent theft. *This is covered*

5- That the stock of drugs on hand must balance with the amount of drugs listed on the sworn inventory plus the amount of drugs purchased, as shown on the duplicates of official order forms, less the amount of drugs dispensed, as shown by the records covering the dispensing or distribution of such drugs. *This is required by law and officers checking stocks are supposed to look after this.*

Respectfully,

Chester H. Clark  
Deputy Collector

CHC  
ECB



COPY

DEPARTMENT OF AGRICULTURE,  
BUREAU OF CHEMISTRY,  
WASHINGTON, D.C.

April 22, 1918.

Mr. B. C. Keith,  
Bureau of Internal Revenue,  
Washington, D. C.

Dear Sir:

There is inclosed herewith a file of reports and correspondence on the traffic and use of the drug cannabis indica, or Indian Hemp, in the United States.

This investigation was instituted to determine whether or not the Food and Drugs Act was being violated; but it appears that the matter cannot be handled under our law. The reports are, therefore, being forwarded to you for your information and use in the preparation of any proposed legislation amending the Harrison Anti-Narcotic Act..

On account of the bulkiness of the file, we are retaining copies.

Respectfully

(Signed) W. G. Campbell,  
Assistant Chief.



*Narcotic legislation recommendations.*

Baltimore, Maryland.

Jan 25:th 1918.

E.A. Forbes Esq.,  
Revenue Agent in Charge.,  
Baltimore, Maryland.

Sir:

On the first of March 1918 three years will have elapsed since the Act-Dec 17-1914 (Harrison Narcotic Law) became effective.

During this period the Internal Revenue Service charged with the enforcement of the aforesaid Act has had many intricate cases to confront with no apparent point of law with which to institute criminal proceedings against the alleged violator.

It is in our opinion, the intention of the Harrison Law to regulate the use of Narcotic drugs so that the class known as "incurables", viz; cancer cases etc may not be inconvenienced and also to curb the illegal traffic, in these drugs.

In the enactment of the above act Congress entrusted to the medical profession the supervision over the use of the aforesaid, drugs. We however find in this class a few unscrupulous Doctors and Druggist who neither regard the functions of the law nor the welfare of the individual and who continually escape prosecution on account of a few "loopholes" in the law.

As we are daily dealing with a class of "drug fiends", which class seems to be on the ~~increase~~ who are obtaining their supply of Morphine, Cocaine, heroin etc through the unscrupulous class mentioned above, our experience leads us to believe that some further legislation should be enacted as an amendment to the Harrison Narcotic Law, which will place a greater responsibility on the individual "addict" and like wise the doctor and druggist.

We have recently made a canvass of six drug stores catering to this class of trade, examining their Narcotic files for the year 1917 and find approximately six hundred names, (drug fiends) in the city of Baltimore, who obtain their supply of Narcotic drugs on prescriptions and in large amounts. We further find that only a small percentage of the "drug fiends" give their correct name and address. We have repeatedly called to the attention of the doctors and druggist in question this fact but none of them seem to feel that this of any consequence. By allowing such practice



to continue in a city the size of Baltimore the "fiend" can apply to each of the doctors and druggist in question, using a different name and address for each one of them, thereby receiving a supply of Morphine Cocaine Heroin etc for himself, and an overage to "peddle"

Only recently the authorities in Norfolk Va picked up a drug suspect as he got off the train in Norfolk, and found on him 1/2 Ounce (four bottles) of Morphine Sulphate, and 1/4 Ounce of Cocaine (two bottles) bearing Baltimore Druggists labels. This is just one example of how the previously stated methods work in actual practice.

Since we have an influx of "drug fiends" from Washington and Norfolk Va and other points, it is very difficult for us to eliminate that practice.

The physicians in question base their charge on the amount of money the "drug fiend" has, and write prescriptions accordingly. For instance if the doctor writes a prescription for 30 grains Morphine etc, the "fiend" pays the doctor one dollar, if for 60 grains, he pays the doctor two dollars, if for 90 grains he pays the doctor three dollars. While such methods seems not to be in good faith but we have had some trouble in taking such cases to court, since the Government has no way of proving just what amount the "drug addict" required.

We are of the opinion that if an amendment could be passed covering the following, it would greatly ameliorate conditions.

- 1- That it shall be unlawful for any person to obtain by means of an order form, or a prescription any of the drugs mentioned in the Act Dec 17-1914 ~~the~~ unless the correct name and address of person obtaining same is shown thereon. The burden is on the "drug addict"
- 2- That it shall be unlawful for any physician to prescribe for an "Addict" unless a diminishing daily dose is shown, and further thirty grains shall be the maximum amount prescribed or dispensed to said "addict" This shall also apply to physicians dispensing.
- 3- That it shall be unlawful for any physician etc, to either prescribe or take for treatment a "drug addict" unless said "addict" shall present to him a letter of dismissal from the last physician under whose treatment he had, showing the daily amount given and the amount of each dose.



- 4- That it shall be unlawful for any physican etc to further prescribe for any "addict" who has been convicted of peddling any of the aforesaid drugs.
- 5- That it shall be unlawful for a drug "addict" to go from one city to another city or town for the purpose of obtaining any of the aforesaid drugs to satisfy his or her addiction unless a residence is established therein and a bona-fide treatment is given.
- 6- That it shall be unlawful for any physican, Dentist, ~~Vet~~<sup>+</sup> Veterinarian, or druggist, who is an "addict" himself, to use order forms, or his registry number for writting prescriptions for any of the aforesaid drugs for his "ad'iction". If such are found to be "addicts", and are taking "dope" as described above, In addition to prosecution it shall be the duty of the Collector to refuse to reregister such physican etc.
- 7- That it shall be unlawful for any physican etc to either dispense or preescribe any of the aforesaid drugs for any "addict" unless he keeps a record of the amount dispensed, and record ~~of~~ copy of each prescription written for said "addict". And that further the term "addict" shall apply to that class who use use Morphine Cocaine Heroin etc to satisfy their ad'iction, and if at any time the Governement has reason to believe that an "addict" is procuring Narcotic drugs under the camouflage of an "incurable", such as Cancer etc, they may have the power to place such "addict" under the observation of a reputable physican to determine if such person is "incurable".
- 8- That it shall be unlawful for any physican etc to send through the mail any of the aforesaid drugs, or send ~~through~~ through the mail a prescription for an "addict" or to give one "addict" the prescription to carry to another "addict"
- 9- That it shall be unlawful for any druggist to dispense any of the aforesaid drugs to a person unless he writes the full directions of the physican on the "label" and the name and address of the person buying same must also appear on the "label" And that further any "drug "addict" who is found to destroy the directions of his or her physican appearing on the label, or is found to have any of the afore-said drugs in any bottle or box without showing from what legal source same was procured is prima facia evidence of illegal possession.
- 10- That it shall be unlawful for any druggist to "alter" any order form, or prescription, calling for any of the aforesaid drugs. Such Druggist must wholly fill the prescriptions at the time of presentation, just as the the prescriptions are written- any neccessary changes must be made by the author of such forms or prescriptions.





OFFICE OF  
INTERNAL REVENUE AGENT  
BALTIMORE DIVISION

## TREASURY DEPARTMENT

INTERNAL REVENUE SERVICE

BALTIMORE, MD.

April 3:rd 1918

Hon B.C.Keith,.  
Deputy Commissioner,  
Internal Revenue Department  
Washington D.C.

Dear Mr Keith:

We are in the midst of a big problem-that is obtaining a list of the drug addicts within this district-We find that in order to render a fair estimate it is very necessary that we interview as many as possible, this method also aids us in getting a line on each individual addict-You will find attached hereto a list thus far obtained which shows that out of seventy six males addicts fifty two are within the draft age..

We wish to also submit a copy of the form of affidavit we take from each addict-we do not how ever give them anything to take back to the doctor. these affidavits are voluntarily made-if however you see any objection to the form of affidavit please let us know as we are making a "drive" on this work and hope to be able to submit a report to the department by the 10:th of April disclosing some facts not based on an office estimate,Page 71 from actual work.



#2

We are anxious to know what Colonel Bayleys opinion of treatment for drug addicts is- also to get the court decision in the Dr Nixon case recently tried in Atlanta.

Respectfully

*E. R. Ferminster*  
*R. M. Martin*  
Narcotic Inspectors.



STATE OF MARYLAND  
CITY OF BALTIMORE

I, \_\_\_\_\_  
hereby voluntarily state that the foregoing is my correct  
name, that I am \_\_\_\_\_ years old, at present reside at \_\_\_\_\_  
\_\_\_\_\_, and  
that my occupation is \_\_\_\_\_;  
that I was born in \_\_\_\_\_, State of \_\_\_\_\_;  
sex \_\_\_\_\_ married---- single--- how long addicted-----

I further state that I am addicted to the  
use of morphine, cocaine, heroin.  
(crase drug not applicable)

\_\_\_\_\_  
(Signature of Deponent)

Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_, A.D. 1918,  
at Baltimore, Maryland.

\_\_\_\_\_  
Deputy Collector,  
T. D. #2235.



# LIST OF ADDICTS.

|                       | Sex-  | Age/  | Kind of drug used. |
|-----------------------|-------|-------|--------------------|
|                       | ----- | ----- | -----              |
| 1-Ambrose Joseph.     | Male. | 31    | Morphine.          |
| 2-Anlas.Alexander.    | "     | 23    | "                  |
| 3-Poone Paul F.       | "     | 26    | " Cocaine.         |
| 4-Bartcher. Frank.    | "     | 25    | "                  |
| 5-Bateman Clarence.   | "     | 26    | "                  |
| 6-Dond.John.          | "     | 22    | "                  |
| 7-Black Leslie.       | "     | 23    | " "                |
| 8-B1 ir Frank.        | "     | 22    | " "                |
| 9-Burhardt John.      | "     | 25    | " "                |
| 10-Bean Thornton.     | "     | 26    | "                  |
| 11-Caplon Solomon.    | "     | 21    | " "                |
| 12-Cusamino Frank.    | "     | 25    | "                  |
| 13-Cusamonic Joseph.  | "     | 24    | "                  |
| 14-Duvall Eugene.     | "     | 25    | " "                |
| 15-Dragran Joseph.    | "     | 23    | " "                |
| 16-Freeman Frank.     | "     | 25    | " "                |
| 17-Fetterholf.Loyd.   | "     | 26    | "                  |
| 18-Finklestein Watahn | "     | 24    | "                  |
| 19-Goldstein Samual.  | "     | 26    | " "                |
| 20-Greenberg Thomas.  | "     | 25    | " "                |
| 21-Gray John.         | "     | 22    | "                  |
| 22-Harrison Luther.   | "     | 23    | " "                |
| 23-Hart. Walter.      | "     | 26    | " "                |
| 24-Hoffman Ignatus.   | "     | 25    | " "                |
| 25-King Louis.        | "     | 24    | "                  |



|                       | Sex   | Age | Kind of drug used |
|-----------------------|-------|-----|-------------------|
| 26-Kahn Abraham.      | Male. | 22  | Morphine          |
| 27-Kahn Rayfield.     | "     | 27  | "                 |
| 28-Knight William.    | "     | 26  | "                 |
| 29-Jeppers. Mateo.    | "     | 22  | "                 |
| 30-Leviton Samual.    | "     | 36  | " Cocaine.        |
| 31-Lipseey Nathan.    | "     | 21  | "                 |
| 32-Lipseey Hyman.     | "     | 25  | "                 |
| 33-Levin John.        | "     | 25  | "                 |
| 34-Medley Paul        | "     | 29  | "                 |
| 35-McCabe John.       | "     | 26  | "                 |
| 36-McKeever John.     | "     | 26  | "                 |
| 37-O'Connor Michael.  | "     | 26  | "                 |
| 38-Rocks John.        | "     | 28  | "                 |
| 39-Stewart Frank.     | "     | 28  | "                 |
| 40-Schwartz Charles   | "     | 24  | "                 |
| 41-Schnabel John.     | "     | 24  | "                 |
| 42-Szeck Paul         | "     | 22  | "                 |
| 43-Standiford Irving. | "     | 23  | "                 |
| 44-Stein Samual       | "     | 28  | "                 |
| 45-Stein Max          | "     | 23  | "                 |
| 46-Schmaing Fred.     | "     | 21  | "                 |
| 47-Trouland Otto.     | "     | 26  | "                 |
| 48-Tagg Ivan          | "     | 23  | "                 |
| 49-Thaman Harry.      | "     | 22  | "                 |
| 50-Wynne Robert.      | "     | 21  | "                 |
| 51-Warthern Albert    | "     | 27  | "                 |
| 52-Zwicker. William   | "     | 21  | "                 |



|                      | Sex----- | Age----- | Kind of drug used |
|----------------------|----------|----------|-------------------|
| 53-Aldrich Max       | Male     | 35       | Morphine          |
| 54-Bruce Murel       | "        | 40       | "                 |
| 55-Brightweel John   | "        | 33       | " Cocaine         |
| 56-Cooke Edward.     | "        | 33       | "                 |
| 57-Carter Asa.       | "        | 35       | "                 |
| 58-Carnes William    | "        | 33       | "                 |
| 59-Clark Richard.    | "        | 32       | "                 |
| 60-Day Albert        | "        | 38       | " "               |
| 61-Fisher William.   | "        | 35       | " "               |
| 62-Godman Robert     | "        | 51       | "                 |
| 63-Hubbard William.  | "        | 46       | "                 |
| 64-Hartlowe William  | "        | 34       | "                 |
| 65-Lauterback Jack   | "        | 33       | "                 |
| 66-Mahoney Charles   | "        | 33       | "                 |
| 67-Moore Arthur.     | "        | 35       | "                 |
| 68- Newman Otis.     | "        | 32       | " "               |
| 69-Orendorn Harry    | "        | 46       | "                 |
| 70-Pritchett John    | "        | 44       | "                 |
| 71-Slain Robert      | "        | 51       | "                 |
| 72-Tucker Clarence.  | "        | 46       | "                 |
| 73-Wyatt Walter      | "        | 63       | "                 |
| 74-Wilson Frank      | "        | 32       | " "               |
| 75-Van Horn Arthur   | "        | 35       | "                 |
| 76-Zick Henry        | "        | 45       | "                 |
| 77-Aldrich Genevive. | FEMALE   | 40       | "                 |
| 78-Alford Laura.     | "        | 33       | "                 |



Sex----- Age--- Kind of drug used...

|                       |         |    |          |         |
|-----------------------|---------|----|----------|---------|
| 77-Bruce Helen        | Female. | 43 | Morphine |         |
| 78-Beveridge Virgie.  | "       | 33 | "        |         |
| 79-Biersching Nora    | "       | 41 | "        |         |
| 80-Cotter Luella.     | "       | 21 | "        |         |
| 81-Cotter Delia.      | "       | 37 | "        |         |
| 82-Dahlgren Dorothy   | "       | 34 | "        |         |
| 83- Decker Dorothy    | "       | 38 |          | Cocaine |
| 84-Downer Margret     | "       | 28 | "        | "       |
| 85-Fountaine Margert  | "       | 28 |          | "       |
| 86-Freed Emma.        | "       | 22 |          | "       |
| 87-Gilley Nellie      | "       | 35 |          | "       |
| 88-Hubbard Ora        | "       | 26 | "        |         |
| 89-Hart Anna.         | "       | 32 | "        | "       |
| 90-Hope Mrs W P       | "       | 38 | "        |         |
| 91-Jeppers Marie      | "       | 22 | "        |         |
| 92-Jeppers Katie      | "       | 42 | "        |         |
| 93-Lang Margret       | "       | 34 | "        |         |
| 94-Miller Bertha      | "       | 36 |          | "       |
| 95-Newell Louise      | "       | 24 | "        | "       |
| 96-Orendorf Ella      | "       | 46 | "        |         |
| 97-Robinson Mildred   | "       | 23 |          | "       |
| 98-Rago Julia         | "       | 38 | "        |         |
| 99-Smith Beulah.      | "       | 35 |          | "       |
| 100-Wilson Margret    | "       | 31 | "        | "       |
| 101-Simpson Josephine | "       | 21 | "        | "       |
| 102-Mamie Kilgore.    | "       | 22 | "        | "       |



6 women on  
Advancing the

- 2. - in Ohio
- 2. - " N.Y.
- 1. - " Mass
- 1. - " Ark

Must be trained in  
some

1. - with as far as possible  
place of residence
2. - obtain position as  
lecturer or some  
similar position in  
state of Massachusetts  
should even be in  
charge of according number  
of women inspectors



(Copy).

DR. E. C. E. MOLE  
NARBONVILLE, S. C.

Mar. 23, 1918.

Hon. James F. Byrnes,  
House of Representatives,  
Washington, D. C.

Dear Mr. Byrnes:

Several months ago I wrote you in reference to trying to have the Antinarcotic Law amended so as to include paregoric and all proprietary, and patent medicines containing even the smallest amount of opium or any of its alkaloids. It seemed that nothing could be done at that time, and I beg to again call your attention to the matter and request your aid. I was talking with Mr. Hammet, a revenue officer, a few days ago and he informed me that physicians all over his district were making the same complaint, but I don't know whether or not any of them are taking steps in this direction. Paregoric, Bateman's Drops, Godfrey's Cordial, etc. all containing opium, are sold in all country stores, and so long as sale of those nostrums continue, we will be unable to cure the unfortunate addict. As an illustration, last summer and fall I had a patient treated in one of the Charleston hospitals for the habit. She returned after several weeks apparently cured and remained so for several months, when, in a moment of weakness, she relapsed. Of course she could not get anything but paregoric, Bateman's Drops, etc., but she would take those in large quantities until she became almost insane. I again carried her to an institution where she has been under treatment for the past eight weeks, costing her husband, a poor man, at the rate of \$35.00 per week. Reports from the sanitarium state that she is improving, but I fear that when she returns we may have the same thing to go through with, and all because those infernal nostrums can be bought in almost any store and by any person and in any amount.

Physicians every where advise their patients against the indiscriminate use of those things, they should never be given to children, and I have seen many a baby drunk on the dope administered by a mother who thought she was doing for the best. If you will talk with a few physicians, you will find that they will agree with me. I realize that you are a busy man and just at this time possibly don't care to bother with matters apparently trivial, but just now there is nothing that would be a greater blessing to the unfortunate drug addict and not only to them but their families who are the chief and innocent sufferers, than the adoption of that amendment. I hope that you will find time to take this matter up, and not stop with it until you have carried it through. You can do it.



If my presence there before any committee or department would be of any use in helping toward getting it through, I would gladly go.

Thanking you in advance, I am, with kindest regards,

Yours very truly,

E. C. B. MOLE.



(Copy).

DR. E. C. B. MOLE  
WARDESVILLE, S. C.

Mar. 23, 1918.

Hon. James F. Byrnes,  
House of Representatives,  
Washington, D. C.

Dear Mr. Byrnes:

Several months ago I wrote you in reference to trying to have the Antinarcotic Law amended so as to include paregoric and all proprietary, and patent medicines containing even the smallest amount of opium or any of its alkaloids. It seemed that nothing could be done at that time, and I beg to again call your attention to the matter and request your aid. I was talking with Mr. Hammet, a revenue officer, a few days ago and he informed me that physicians all over his district were making the same complaint, but I don't know whether or not any of them are taking steps in this direction. Paregoric, Bateman's Drops, Godfrey's Cordial, etc. all containing opium, are sold in all country stores, and so long as sale of those nostrums continues, we will be unable to cure the unfortunate addict. As an illustration, last summer and fall I had a patient treated in one of the Charleston hospitals for the habit. She returned after several weeks apparently cured and remained so for several months, when, in a moment of weakness, she relapsed. Of course she could not get anything but paregoric, Bateman's Drops, etc., but she would take those in large quantities until she became almost insane. I again carried her to an institution where she has been under treatment for the past eight weeks, costing her husband, a poor man, at the rate of \$35.00 per week. Reports from the sanitarium state that she is improving, but I fear that when she returns we may have the same thing to go through with, and all because those infernal nostrums can be bought in almost any store and by any person and in any amount.

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--E--

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Thanking you in advance, I am, with kindest regards,

Yours very truly,

E. C. B. MOLE.



*Last Draft 7/28/16*  
1 By it enacted by the Senate and House of Representatives

2 of the United States of America, in Congress assembled, that  
3 section one of the Act of Congress approved December 17, 1914,  
4 (38 Stats. 785) be, and the same is, hereby amended as follows:

5 That on and after January 1, 1917, there shall be levied,  
6 *and paid*  
and collected upon opium, coca leaves, and any compound, manu-  
7 facture, salt, derivative, or preparation thereof, and any  
8 synthetic preparation thereof, or substitute therefor, imported  
9 into this country, or manufactured in this country from imported  
10 material, an Internal Revenue Tax at the rate of one-half cent  
11 per ounce, and any fraction of an ounce in a package shall be  
12 taxed as an ounce, such tax to be paid by the importer, manu-  
13 facturer, producer, or compounder, and to be represented by  
14 appropriate stamps, provided by the Commissioner of Internal  
15 Revenue, with the approval of the Secretary of the Treasury,  
16 and the stamps herein provided shall be affixed to the bottle  
17 or other container so as to securely seal the stopper or  
18 covering thereof. The tax imposed by this section shall be in  
addition to any import duty imposed on any of the aforesaid  
drugs. All stamped packages of opium, coca leaves, their  
compounds, manufactures, salts



19 salts, derivatives or preparations thereof, and any synthetic  
20 preparation thereof, or substitute therefor, may only be pur-  
21 chased, dispensed or distributed upon order forms by persons  
22 registered under the provisions of this Act, and the sale,  
23 dispensing or distribution of the aforesaid drugs by registered  
24 persons shall be made only in the original stamped package or  
25 from the original stamped package, and the absence of proper  
26 tax paid stamp from any package containing any of the afore-  
27 said drugs shall be prima facie evidence of non-payment of  
28 the tax and of violation of this provision by the person in  
29 whose possession same may be found, and upon conviction there-  
30 of such person shall be fined not more than \$100, or imprisoned  
31 not more than three months, or both, in the discretion of the  
32 Court, for each and every package with respect to which such  
33 offense is committed; Provided, the charge of violation of  
34 this provision shall not apply to any person having in their  
35 possession any of the aforesaid drugs which have been obtained  
36 from a dealer in pursuance of a prescription written in good



37 faith and for medicinal use of such persons by a physician,  
38 dentist, veterinary surgeon, or other practitioner registered  
39 under this Act, ~~and~~ and where the bottle or other container in  
40 which such drug may be put up by the dealer upon said pre-  
41 scription bears the name and registry number of the druggist,  
42 serial number of prescription, name and address of the patient,  
43 and name, address and registry number of the person writing  
44 said prescription; or to the dispensing, or administration,  
45 or giving away of any of the aforesaid drugs to a patient by  
46 a registered physician, dentist, veterinary surgeon, or other  
47 practitioner in personal attendance upon such patient, and  
48 where said drugs are dispensed or administered to the patient  
49 for legitimate medical purposes, and the record kept as re-  
50 quired by this Act of the drugs so dispensed, administered,  
51 distributed or given away.

52 And all the provisions of existing laws relating to the  
53 engraving, issuance, sale, accountability, cancellation, and  
destruction of tax paid stamps provided for in the Internal



55 Revenue laws are, in so far as necessary, hereby extended and  
56 made to apply to stamps provided for by this section.

57 ~~Every person who imports any of the aforesaid drugs, or manu-~~  
58 ~~factures, produces, or compounds therefrom any salt, derivative,~~  
59 ~~or preparation, or any synthetic preparation, or substitute~~  
60 ~~therefor shall, for the purpose of this Act, be regarded as~~  
61 ~~the importer, manufacturer, producer, or compounder, and be~~  
62 ~~liable to the taxes imposed by this section.~~

63 That all unstamped packages of the aforesaid drugs found  
64 in the possession of any person except as herein provided shall  
65 be subject to seizure and forfeiture, and all the provisions  
66 of existing Internal Revenue laws relating to searches, seizures  
67 and forfeitures of unstamped articles are hereby extended to  
68 and made to apply to the articles taxed under this Act and the  
69 persons upon whom these taxes are imposed.



November 16, 1917.

Chief, Revenue Agents:

You are requested to wire Inspector . . G. Beach of the Philadelphia Division to report at this office at the earliest hour possible tomorrow for conference in regard to the narcotic situation in Philadelphia, with particular reference to the complaint about conditions surrounding the Navy Yard, and Army Camp\_\_\_\_\_near Upton.

Respectfully,

LLW.

Assistant Deputy Commissioner.



Department of Justice.

OFFICE OF UNITED STATES ATTORNEY,  
EASTERN DISTRICT OF PENNSYLVANIA.  
POST OFFICE BUILDING,  
PHILADELPHIA.

FILE NO. 1475

October 13, 1917.

*File*  
*Marshall*  
*Keith*

Mr. B. C. Keith,  
Chief, Miscellaneous Division,  
Internal Revenue Bureau,  
Washington, D. C.

My dear Mr. Keith:

The defendants in the Pottsville drug case have been discharged by the Commissioner, and I ought to let you know the reasons.

They were, as you know, a doctor and druggist, who over a year ago were supplying morphine and cocaine in large quantities to two or three denizens of the Pottsville tender loin. The sales had been by prescriptions, but the amounts were so large that you thought prosecution should be instituted and that we could, in view of recent decisions, secure a conviction under a conspiracy charge. A warrant was sworn out and Mr. Kremp attended the hearing at Pottsville. The druggist and doctor both made statements. The druggist declared that he had called the attention of the doctor to the large amount of drugs in the prescriptions, and had been assured that the persons were suffering from syphilis. The doctor also so testified.



(B.C.K. #2)

While I do not believe that the doctor was telling the truth, I felt, after talking to Mr. Kremp, that it would be impossible to convict him, and that it would be impossible, of course, to convict the druggist on his testimony. We would not have proof of conspiracy to secure by means of order forms drugs to be used contrary to the provisions of the Harrison Act. Under the circumstances, I thought it right to advise the Commissioner that in my judgment the defendants might be discharged, and they were discharged two or three days ago, the Commissioner giving them a thorough warning that if they continued to sell in such manner they would run foul both of the United States authorities and also of the State authorities under the recent drug Act passed by the legislature of Pennsylvania.

I am sorry to say that the doctors cases in which indictments have already been found, and which, as you know, have been pending for a long time in this district, were not reached at our recent term of court, owing to press of business. The courts did not get through with the list, and these cases, with a number of others, had to go over until December.

Respectfully yours,

FFK/HMS

*Frank A. Kane,*  
United States Attorney.





OFFICE OF  
COMMISSIONER OF INTERNAL REVENUE

ADDRESS REPLY TO  
COMMISSIONER OF INTERNAL REVENUE  
AND REFER TO

## TREASURY DEPARTMENT

WASHINGTON

July 16, 1918.

Mr. Commissioner:

As an outgrowth of the recent raid on the Chinese in Washington on Saturday July 6th, and seizure of considerable quantity of smoking opium, certain facts have been subsequently developed in connection with the opium seized which I am calling to your attention for such consideration and recommendations to the Secretary as you may deem proper.

Acting upon information obtained by Narcotic Inspector Peak, arrangement was made in June by this officer to purchase from Charlie Sue, so-called mayor of Chinatown, 20 cans of opium at \$45 a can, total of \$900, and after considerable effort I raised this money through Treasury officials for the purpose of a "flash roll" to put through the deal, with the understanding that as soon as the transaction had been completed arrest would be made and the money recovered and returned to the Treasury. Unfortunately this fell through at the time and investigation was discontinued. Later, about July 1st, Inspector Peak returned to Washington from Norfolk and again got in touch with this Chinaman and made arrangements to purchase seven cans of smoking opium for \$420, the sale to be made at one of the Chinese places of business on Pennsylvania Ave., N.W., at 12.45 on Saturday, the 6th instant. In order to furnish the money it was necessary for me to secure it temporarily from the Chief Clerk of the Treasury, with the understanding that it would be returned to me before 5 o'clock that afternoon. Plans were formulated, with Maj. Pullman, of the local police force, actively cooperating, to raid on Saturday, the 6th, at 1 P.M., eight suspected places immediately following the purchase of the opium by Mr. Peak if he was successful.

These plans worked out perfectly, the Chinaman making delivery of seven pound-cans of smoking opium, for which Peak paid over to him \$420, and as they were emerging from the premises 317 Pennsylvania Ave., the other internal revenue officers and police arrived and took this Chinaman, Charlie Sue, in custody and found on him the marked money and took from Peak the opium he had just bought. As a result of the raids clear-cut evidence was secured of at least three violations of the opium laws, and possibly four.



In the course of the investigation and preliminary dealings leading up to this raid I heard intimations that the opium which was to be sold to our officer was some that had been abstracted from the Treasury Department, it being rumored that a considerable quantity of opium seized by the Customs Department for violation of the customs laws had been lost or stolen after being placed in storage in the Treasury Department. When I learned of this I directed those internal revenue officers on the case to make every effort to discover all the facts and locate the balance of the opium reported to have been stolen from the Treasury store room. Inspector Feimster, in company with one of the Secret Service men, took the seven cans of opium purchased by Inspector Peak from Charlie Sue to the store room of the Treasury for the purpose of comparing it with the other cans of smoking opium remaining in the packing cases from which the reported thefts occurred. Inspector Feimster advised me last week that he is convinced that the opium obtained from Charlie Sue was of the same lot as that found in the packing cases in the Treasury store rooms, basing his statement upon the fact that adhering to both the cans purchased from Charlie Sue and those in the store room were fragments of California newspapers, indicating that it was of the same lot seized by customs officers in California and wrapped in newspapers published in the locality where seized for transmittal to the Treasury Department. Mr. Feimster further reports that the custodian of the keys in the store room is a man between the ages of 70 and 80 years; that he was absent from his desk at the time of the officer's call and upon inquiry of a messenger boy in the room where the keys to the vault were kept they were informed that the custodian kept them in the top drawer of his desk. Going to the desk they found the drawer partly open and a large number of keys there, and selecting several they proceeded to the vaults without any one asking their names or official status or business with these keys. On arrival at the vault Feimster reports that he found same locked with a cheap padlock, and after trying several keys found one which fitted, and the officers then entered and made the comparison of the opium, with the result that our inspector is convinced that the opium was abstracted from the Treasury.

Following this partial identification, Mr. Feimster, in company with Inspector Saunders, of the local police force, continued his investigations last week into this case to locate any other opium stolen from the Treasury, and ascertain those guilty of such thefts. The police authorities, in the course of their investigation, arrested two colored men who were



peddling in a certain section of the city thrift stamp books for any price they could get. In the course of examination at headquarters they stated they received the books from some one connected with the Treasury; presumably they had been shipped in to the Department by the various post offices redeeming same. This fact, together with the facts developed in our opium case, seems to show that there is opportunity for thefts of opium or other narcotic drugs, and valuables which go into the Treasury store room.

In the Purveying Depot of the Public Health Service, located on the first floor of this building, there is stored a large stock of opium and narcotics turned over to that service by the Internal Revenue Bureau, which has no more protection than a wire gripp or screen work in the windows, and if the peddlers and addicts knew of its existence and accessibility they would break into the building and cart it all away within 48 hours.

In the laboratory of this Bureau where our narcotics are kept there are double doors, locks and a check on every grain going in or coming out. It seems to me that the same safeguard should be exercised elsewhere; otherwise while our narcotic investigators are making one case three new violations will occur through the use of drugs stolen from other branches of the Treasury. These conditions should receive immediate consideration.

Another matter which should be the subject of some detective action is the safeguarding of the war savings stamp books redeemed by postoffice departments and forwarded to the Treasury. It seems to me that these stamps should be defaced or so marked as to show they have been redeemed as soon as they come into the possession of the Post Office Department.



July 16, 1918.

(Confidential)

Mr. Commissioner:

On Saturday, July 6th, at 1 P.M., internal revenue inspectors, in cooperation with officers of the local police force under the personal direction of Maj. Pullman, made simultaneous raids and search of several premises on Pennsylvania Ave., N.W., and elsewhere in the city, occupied by Chinese, which resulted in the seizure of about ten pounds of smoking opium, several smoking outfits, and obtaining evidence of at least three, and probably four, clear-cut violations of the opium law and the arrest of several Chinamen, four of whom were held under heavy bail for the grand jury. Following these raids investigations were continued to ascertain the source of opium supply of these Chinese, which have developed certain facts that I am calling to your attention for your consideration and such recommendations to the Secretary as you may deem proper.

These raids were planned in conjunction with Maj. Pullman after Narcotic Inspector Peak had made investigations in this city during June and the early part of July which convinced those in charge of the work that there was considerable traffic in smoking opium being carried on in Washington. Peak gained the confidence of certain Chinese here, including Charlie Sue, so-called mayor of Chinatown, who after considerable negotiations agreed to sell to Peak during June twenty cans of smoking opium for \$900, but through unfortunate arrangement of plans the deal was not consummated at that time. Subsequently negotiations were renewed and Sue agreed to sell to Peak several cans of smoking opium for \$420, delivery to be made on Saturday, July 6th, at 12:45 P.M., at 317 Pennsylvania Ave., N.W. After this deal had been arranged for, raids were planned for 1 o'clock, to follow immediately the purchase. All of the plans worked out perfectly, Peak making the purchase from Charlie Sue and as the two emerged from 317 Pennsylvania Ave. the raiding officers arrived on the scene, took from Sue the \$420 in marked money, (previously borrowed from the Chief Clerk of the Treasury for this purpose) and from Peak the seven cans of smoking opium. The raids on the other premises were almost as successful.



Upon being questioned at the police headquarters the Chinese arrested told several conflicting stories. Finally Charlie Sue stated that the opium was furnished him to sell by a colored man. Following this information, Inspector Feimster, of the Revenue Agent's force, Baltimore, and Inspector Saunders, of the local police department, have during the past ten days been investigating the source of supply and have secured information, <sup>indicating</sup> that this opium was a portion of a lot shipped into the Treasury by the customs officials in California where it had been seized for violations of the customs laws, and after its arrival and storage in the Treasury building stolen from the cases in which packed. This fact is further indicated by comparison of the seven cans purchased from Charlie Sue with the cans remaining in the packing cases, as they all have adhering thereto California newspapers of the same date, apparently in which they were wrapped when placed in the boxes. F-51

Inspector Feimster and an officer of the Secret Service took the cans obtained from Sue from the laboratory to the vaults of the store room in the Treasury building for comparison and Feimster reports the following conditions:

Upon inquiry it was found that the clerk in custody of the keys to these vaults is a man between 70 and 80 years of age, who kept the keys to the padlocks in a drawer of his desk which stood partly open practically all of the time, even when this clerk was absent from his room. Feimster and the Secret Service man went in his office and finding him absent asked one of the messenger boys where the keys were and were informed that they were in the top drawer, which was standing open. They took from the large mass of keys several and proceeded to the vaults without any one demanding of them credentials or authority for such action. Our inspector reports that he found the vaults secured with a cheap padlock and that the opium stored therein was packed in such a manner that any one could steal from the cases as much as they desired.

As a result of this evidence the officers were directed to continue their investigations, and during the middle of last week the local police on this line of work apprehended two colored men who were offering thrift stamp books for sale at large discount. They cross-examined these men who stated that they had obtained these stamp books from some one employed in the Treasury Department who told them that the books were from lots sent in to the Treasury Department by postoffices in various sections of the country where the stamps had been redeemed, and that any one could get as many of these books uncanceled as they desired.



From these reports it would appear that narcotic drugs and other valuables stored in the Treasury storeroom are not adequately safeguarded, and should it develop in the course of the trial of the Chinese taken in the raid of July 6th that while our internal revenue officers are busy investigating to detect and punish violations of the opium laws there are employees of the Treasury Department at the same time engaged in stealing and selling opium and other narcotics seized by the government and creating new sources of violations, such a disclosure would have a most unwholesome effect and bring about a very natural and just criticism of the Department on account of such conditions.

Another matter I desire to call to your attention is the custody of opium and narcotics heretofore turned over by the Internal Revenue Bureau to the Purveying Depot of the Public Health Service, which has stored a large quantity of these drugs in this building, 1412 Pennsylvania Ave., where they are only protected by a wire grill or screen work in the windows. If the illicit traffickers in narcotics and addicts know of the existence and accessibility of this supply of the desired drugs they would break into this building and cart it away within 48 hours.

Respectfully,

Deputy Commissioner.



July 1, 1918.

Mr. Murphy:

Revenue Agent Brame sent Dr. L. S. Foster, narcotic inspector of his division, to this office from Alexandria, where he was attending court, to confer with you about securing the services of Miss Beesie Rhea, a former addict who was cured at the Staunton, Virginia State Hospital. Mr. Brame suggested that she be put on Form 10 to obtain certain information they deemed important in the cases of Norfolk, Virginia, where she has extensive acquaintance with and the confidence of dope peddlers.

Dr. Foster said Miss Rhea came to Norfolk upon the direction of Mr. Brame and consult with him, but as he was leaving the city, Mr. Daughton, of the Department of Justice, temporarily employed Miss Rhea to look after bootlegging among soldiers.

I have several times expressed the opinion that it is inadvisable and of very doubtful propriety and good judgment to employ women on narcotic work, and this also applies to the employment of Miss Rhea. However, as the Comptroller has held that we can pay a reward for information, I would suggest that Revenue Agent Brame be advised that a straight reward will be given Miss Rhea for information leading to the securing of further evidence against those men already held for the grand jury, and obtaining evidence in other suspected cases in Norfolk, stating what amount will be given Miss Rhea for successful work, such amount to be based upon the length of time she devotes to these investigations.

Deputy Commissioner.





OFFICE OF THE DEPUTY COLLECTOR  
THIRD DISTRICT OF TEXAS

Personal

## TREASURY DEPARTMENT

INTERNAL REVENUE SERVICE

Dallas, Texas.  
July 13th. 1918.  
P.O.Box 206

*A. J. H.*  
Mr. B. C. Keith,  
Deputy Comm. Internal Revenue,  
Washington, D.C.

My Dear Mr. Keith:-

Am inclosing a newspaper clipping of the present week, thinking you might be interested to learn of my progress down in this country

Court has just closed here our department getting thirteen convictions, one for moonshining and the balance being Narcotic violations.

I got one two hundred dollar fine against a druggist, who had he been a younger man would have done time. I had five cases which I worked alone on which I got sentences from eighteen months to two years and one case, on which I worked with another man, who got two years. I also have seven cases which have not gone to trial but which look airtight to me.

This territory makes Baltimore and Washington look very quiet in the Narcotic line. I am glad to be here as I believe I am getting some most valuable experience working alone and being entirely dependant on my own resources. I like the work very well-in fact better than anything I have ever done previously and I believe a man must enjoy his work to be even reasonably successful in it.

I had a very pleasant trip down here stopping over in New Orleans between trains and also remaining in San Antonio for about a week.

While in New Orleans I stopped in to pay my respects to Revenue Agent Bender, but found him very busy so did not tarry.

This town is lots tamer than I expected in fact I have only had one occasion to use a gun and that on a nigger who ran faster than the bullet. I am so glad now that I didnt hit him that I have quit carrying any artillery. We have A. L. Raithel with us in this state. He is the young lad who as you may remember got shot up in Kansas City last winter. They mighty near finished him at that time too. The more I see of dope fiends or hop heads as they are called here the more I believe they are without "guts"





## TREASURY DEPARTMENT

INTERNAL REVENUE SERVICE

OFFICE OF THE DEPUTY COLLECTOR  
THIRD DISTRICT OF TEXAS

I expect to leave here this week for Fort Worth which has the reputation of being a real "dope" town. My only experience there so far was the loss of fifteen good dollars two months ago buying an eighth ounce of morphine. I got the morphine and the ~~man~~ all right but not the fifteen and unfortunately the Revenue Agent here did not have any funds to reimburse me.

We have not heard a thing so far of the reorganization of the Narcotic end of the Service except that my headquarters have been changed to Dallas.

With kindest regards to Mr. Hesse and any of the Baltimore boys whom I know, I am,

Cordially

*Fred L. Pigeon*



July 1, 1918.

D. J. Gantt, Esq.,  
Supervisor of Agents,  
New York, N. Y.

My dear Mr. Gantt:-

Your letter of the 30th received, in regard to the capture of Denker, Morgenstern, Harowitz alias Hawke, and the large quantity of dope at the same time, and I want to express my personal congratulations to you and your force for this work. It is a clean-up of the big dealers in New York, and if we could have done the same thing in other cities simultaneously, it would have wiped out the illicit traffic.

I have taken up with Murphy the matter of reappointment of Special Employees Allen, Stokes, Crossman, Nutt, Langley, Clonaker and Ellington, and I am sure there will be no difficulty about this being done.

As soon as the announcement and application blanks for the non-assembled examination for narcotic inspectors are out I will see that all of these men get blanks so that they may qualify to the civil service rules.

With kindest regards,

Sincerely,

MRM





OFFICE OF  
INTERNAL REVENUE AGENT  
NEW YORK DIVISION

## TREASURY DEPARTMENT

INTERNAL REVENUE SERVICE

NEW YORK, N. Y.

June 30, 1918.

PERSONAL.

Hon. B. C. Keith,  
Deputy Commissioner of Internal Revenue,  
Washington, D. C.

My dear Mr. Keith:

I wired the Commissioner yesterday morning that the boys had arrested Denker and Morgenstern just after they had made a sale of 80 ounces of morphine to Sam Bernstein alias "Butch" and Harry Harowitz alias Hawke, and at one time they got snur (4) of the mosted narcotic peddlers in the country.

The boys will not have time to write reports on this case for several days, as they have all they can do to follow up the leads secured in the raid.

Please have Denker and Morgenstern's registration cancelled and direct the Collector of the 1st District of New York not to sell them any more narcotic order blanks, as they each made bail of \$7500.00 so I understand as that was the amount of the bail fixed, and the bail of Butch and Hawke was fixed at \$10000.00 each.

Too much praise cannot be given the men who made the capture and all expense incurred and the methods employed are fully justified by the results secured.

The experienced men of the force made this capture and Special Employees Allen, Stokes, Grossman, Nutt, Langley, Slonaker and Ellington should be recommissioned without fail, as without the aid of four of these officers it would be next to impossible for us to proceed with the investigations you want us to follow up on these cases. Their period of employments expire to-day and they have been working night and day recently, knowing nothing whatever of their status after to-day.

Please see that these men are recommissioned and that they receive salaries commensurate to their worth. They are not accountants but they can get results.

With best wishes,

Yours respectfully,

*L. J. Gault*  
Supervisor of Agents.





OFFICE OF  
INTERNAL REVENUE AGENT  
BALTIMORE DIVISION

# TREASURY DEPARTMENT

INTERNAL REVENUE SERVICE

BALTIMORE, MD.

July 31st., 1918.

Commissioner of Internal Revenue,  
Washington, D. C.

Sir :-

Relative to the examination for Deputy Collector,  
Inspector, Agent, Anti-narcotic Law, you are advised,  
that I have executed and mailed the form 1312, under  
date of July 30th., to the U.S. Civil Service Commission.

Respectfully,

*Erwin C. Ruth.*

Deputy Collector.

*File  
Ruth  
Folder*



June 13, 1918.

John D. Murphy, Esq.,  
Chief of Revenue Agents,  
Washington, D. C.

Sir:

Enclosed please find three reports on Cleveland.

I reported here as instructed by you yesterday morning for cases in the U. S. Court; no doubt will be here until the first or middle of next week. We have been very successful and have convicted each and every case that has gone to trial, as well as had a number of pleas of guilty, something like 14 in all.

I have some very good information on a large wholesale drug house, but would rather talk to you about it than write, if it will be possible for me to come to Washington on my next assignment. You can reach me through United States Attorney's office or Revenue Agents' Office.

Very truly yours,

*Ralph A. Miller*  
Narcotic Inspector,



*[Handwritten notes and scribbles at the top of the page, including numbers and symbols.]*

- May 22nd -  
1918.

John D. Murphy, Esq.,  
Chief of Revenue Agents  
Washington, D. C.

Sir:

I have the honor to report that, as directed by you, I reported to Revenue Agent C.E. Boulden, St. Paul Division, and secured all the information I could get in the week that you told me to remain there.

I stopped off at Milwaukee on my way to Chicago, to get what information I could on a party by the name of Harry Rogers, (of Chicago, (who is made the subject of a separate report). From the information I received, he is one of the biggest dealers there and will be able to give me some positive information regarding Chicago.

I was in conference on Monday, the 18th instant, with Revenue Agent A.B. Walsh, of the Milwaukee division, regarding the dope situation here. As Mr. Walsh has been here but a few weeks, he is not at present in a position to tell much about the situation here. I find, however, that the narcotic inspectors have been working only doctor and druggist cases. There are two inspectors in this division.

The report upon the situation in Chicago has been made without consulting with the Revenue Agent in charge there, as per instructions received from you. I will remain in Chicago until the latter part of this week or the first of next, until I can secure some positive information. You can locate me at the Brevoort Hotel in Chicago, on Madison street, near La Salle.

After leaving Chicago, I will, as directed by you, make investigations in Toledo, Cleveland and along the lakes, regarding the smuggling, as I have some very good lines there and will be able to give you some good and positive information.

You can communicate with me next week in care of the Collector of Internal Revenue, Toledo, O., as I will keep him informed as to my movements.

Respectfully,

NARCOTIC INSPECTOR.



- May 22nd -  
1918

John D. Murphy, Esq.,  
Chief of Revenue Agents,  
Washington, D. C.

Sir:

I have the honor to report that while I was in St. Paul, Minn., I received the following information upon one HARRY ROGERS, located in Chicago, Ills. I find that he can be located at 77 West Jackson street, a hotel and bar where he receives his mail, and that he is living now at 259 E. 35th street, Chicago, under the names of either Harry Rogers, Harry Walker or Harry Knowles, with his wife, whose name is Daisy Rogers. I have recently learned however that his wife is now an inmate of an asylum.

He no doubt is one of the biggest dealers in narcotics in Chicago, and his connections are through Phil Morgan, the big dealer in St. Paul, whom I have mentioned in my report of St. Paul and Minneapolis.

Rogers has also sold a large amount of the narcotics that were stolen by Shaw and Donk, both of whom I have reported on in my St. Paul and Minneapolis report. He is also a fence for stolen goods which is sent to St. Paul to Phil Morgan's pawn-shop.

He is a man about 40, slim, and could easily be detected as an addict and has a very noticeable walk, as he droops his shoulders considerably. He is about 5 ft. 7 or 8 inches tall. He always carries a large amount of money and a considerable quantity of narcotics on his person. He has been arrested several times by both city police and state authorities, but has never been convicted. He has done three years in the penitentiary at Stony Mountain, out of Winnipeg, Canada, for robbery and larceny from person.

While in St. Paul, he stops at the Wolf hotel and his hang-out is the Buck Horn cafe and he communicates at all times with Phil Morgan, as I saw letters from him to Morgan, asking whether he had heard there was a government warrant out for him.

Respectfully,



- May 28nd -  
1918.

John D. Murphy, Esq.,  
Chief of Revenue Agents,  
Washington, D. C.

Sir:

I have the honor to report that pursuant to instructions from you, I have to report that LEE W. GADY, is the narcotic inspector assigned to the St. Paul division. He is one of the newly appointed inspectors, a man about 31 years old, about 5 feet, six or seven inches in height, and weighs about 140 lbs. and could easily pass as an addict.

Directly after coming into the service, he was assigned to work with the Collector's force, working on floor tax and later on the special drive. He has therefore, only worked on narcotics for about six weeks.

He has made no cases in the St. Paul division, but has been working on several doctor and druggist cases. No doubt that with some training, he would make a very good man, because he is willing to work and anxious to learn, but he has had no one in the division with whom to work and has received no instructions other than those given him by the Revenue Agent in charge.

I was with him but one day as he had asked for leave of absence for fifteen days and left the same day that I arrived in St. Paul. So as to his ability, I am not qualified to speak at this time.

Respectfully,

NARCOTIC INSPECTOR.



PERSONAL.

- May 22nd -  
1918

John D. Murphy, Esq.,  
Chief of Revenue Agents,  
Washington, D. C.

Sir:

I have the honor to report that in pursuance to instructions recently received from you, I have made the following investigations upon the narcotic situation in the cities of St. Paul and Minneapolis, Minn.

After making a thorough personal investigation, I found that most of the narcotics are smuggled into St. Paul and Minneapolis from points in Canada, with connections in the East; that there have been several doctors and druggists selling narcotics, who have previously been arrested for violation of the State laws.

The morphine we bought while in St. Paul was purchased from CHARLES RYAN (alias "Red" Quinn) and a party I know by the name of Wood, and bears the following label:

1 oz.  
Borate of Morphia Crystals  
P O I S O N  
Grand Prix  
Japan-British Exhibition  
London 1910  
Prepared by  
I. A. WINK & CO.,  
Lombard Road,  
Battersea, London, S. W.

In 1 oz. tin box.

While talking with them I learned that Wink & Co. have a representative in New York to whom the stuff is shipped and all connections are made through him. I was unable to learn where this party is located, but no doubt after making the arrests in St. Paul, I will be able to secure that information. I was positively informed however, that I could purchase \$5000 worth of narcotics, or any amount of narcotics I wanted, from their connections in the East provided I showed them I had the money in the bank, before the narcotics were shipped to St. Paul.

I also have enough evidence to prosecute one PHIL MORGAN, on a conspiracy charge between himself, Charles Ryan and Wood, as he made it possible for us to meet both Ryan and Wood, for the purpose of buying narcotics from them.



Morgan runs a pawn-shop at 193 So. 7th street, St. Paul, and is the dealer through whom all morphine in this section of the country is sold. This man is a fence for all stolen goods from thieves in all parts of the country. He does not handle the stuff himself, but through him all the big sales are made and he is, without doubt, the biggest dealer in this section of the country.

Thinking that I was a dealer, both Morgan and Ryan guaranteed that I would not be arrested or bothered by the police department or local authorities as they knew the Chief of Police, John O'Connor, and had fixed and could still fix, any case with him.

St. Paul is the hang-out for all of the thieves and big dope peddlers in this section of the country and they live in St. Paul, but are never bothered by the police at all. Most of them live at the Hotel Wolf, on the corner of St. Peter and Exchange streets, which hotel caters to nothing but this class of people.

Other big dealers there are Jim Thurlow, Sid Lyons and Alexander (the latter a bar-tender and half owner of the Cafe Buck Horn, at the corner of St. Peter and Exchange streets. This is the saloon in which all the big dope peddlers and thieves hang out.

Another party, a colored man by the name of "Fangy" Williams, makes frequent trips to Winnipeg, Canada, over the Soo Line. His home is in Sioux City, Iowa, but he can be located at Snider's pool and billiard room, 38 So. 6th street, Minneapolis. From information that I could get, this man has the stuff smuggled in by porters of the various trains coming through from Canada. He also supplies a Chinese restaurant on Court street, between 4th and 5th streets, Sioux City, Iowa, with opium, and he has three peddlers in Sioux City, one by the name of Fitz Gline (a tall, slim, consumptive looking fellow about 40 years of age), who can be found at the Chicago Hotel, in that city; Curtis Kelley (a man about 30 years of age, always dressed in brown) and "Slim" Clarey, both of whom can be found at the Martin or Howard Hotels, at Sioux City, Ia. About every two weeks they come to Minneapolis, where Williams, the colored man, supplies them with morphine, opium and cocaine.

I also obtained information regarding two other parties, one by the name of Freddie Shaw and one by the name of "Shorty" Donk who are now in Kansas City, making frequent visits to St. Paul and Minneapolis and who can be located while in St. Paul at the Wolf Hotel and while in Minneapolis at a rooming house at 609 So. 9th street. Their hang-out is however, the Buck Horn Cafe, in St. Paul. They are very closely associated with Phil Morgan, the big dealer, who buys all the jewelry and silks that Shaw and Donk receive from the sale of dope in and around Kansas City.

These two parties are supposed to have robbed the Milwaukee Drug Co. and are also credited with several other big drug house robberies in the United States.



John D. Murphy

-3-

No cases have been presented in either St. Paul or Minneapolis, as they have confined themselves solely to doctor and druggist cases there.

Respectfully,

NARCOTIC INSPECTOR.



May 21, 1918.

B. C. Keith, Esq.,  
Deputy Commissioner,  
Department of Internal Revenue,  
G.A.R. Hall,  
Washington, D.C.

Dear Sir:-

The following notes on Heroin are respectfully submitted, following the interview with you on the subject which the undersigned recently was favored with.

The discovery of the substance, Diacetyl Morphine, and its physiological action were first announced in a paper read by Sir Thomas R. Fraser, M.D., at the Royal Society of Edinburgh in the early nineties. No very great importance was attached to the new product and no patent or trade-mark was applied for by the manufacturing chemical concern in whose laboratory the substance had been first prepared.

Shortly afterwards the firm of Friedr. Bayer & Co. in Elberfeld, Germany, trade-marked the substance in various countries throughout the world under the name Heroin and articles laudatory of the new preparation, ascribing many and great advantages to it over morphine, began to appear in German medical journals. The system usual in Germany when a new drug is to be put on the market was followed. This system is well known. In that country the large chemical houses have attached to them, even by contract, a large number of Professors of medicine in the different colleges and clinics throughout the country; a supply of the new substance is sent to a selection of these doctors from each of whom a report on the clinical "advantages" possessed by the new product is received in the form of an article suitable for publication in a medical journal. Those articles which are considered satisfactory enough by the chemical firm are then published and the effect on medical opinion



and practice is as a rule only dependent on the number and weight of the articles which are so published. For the work done each of the doctors whose paper is published receives a standard fee, which in many cases is 100 Marks!

Since the first flood of articles in praise of Heroin was first published in medical journals, it has been amply proved that Heroin possesses practically no advantage over morphine and that in addition Heroin is simply a modification of the drug which encourages the formation of a habit and, furthermore, that Heroinism is more difficult to treat than is Morphinism. The evil has been done, however; the propaganda in praise of Heroin has made the drug as well known to the laity as Aspirin is, and Aspirin, it may be noted, is also a product of the same firm, The Bayer Company.

The interview which I recently had with you in Washington was sought by me on account of the reports of proceedings of the Senate Military Affairs Committee, indicating that our soldiers and sailors are at the present time liable to have dangerously insidious approaches made to them by peddlers of this drug. I had then the idea that part of the evil could be obviated by an Enactment to the effect that Diacetyl Morphine Hydrochloride or Heroin Hydrochloride should only be put on the market in the form of a hard, gritty or granular powder which it would be physically impossible for any one to snuff. This simple regulation ought to make it more difficult, in many cases impossible, for the panderer to succeed in initiating the novice, for many a soldier or sailor would refuse to become initiated by means of the injection needle whose scruples might easily be overcome by the thought of simply snuffing a beautifully white powder.

I made Diacetyl Morphine Hydrochloride first in the chemical works



in Scotland, where it was originally produced. I have made and handled considerable quantities of it through the past seventeen years and I am prepared to say that the intensely light, fine powdery form in which it is put on the market in this country at the present time is a deliberate incentive to its use for illegal purposes and that knowingly or unknowingly the chemical firms which produce it in this country in a light, easily snuffable form are not catering to the medical profession or the drug trade for the legitimate use of the drug, but are pandering to the profiteers who make money out of the poor addicts to the drug. Investigations may show that there are chemists in some of the concerns making this drug in this country who take a delight in producing an article of this sort.

I am glad to know, however, that your views go further than mine and favor a complete abolition of the manufacture of Diacetyl Morphine and Diacetyl Morphine Hydrochloride in this country and the importation or manufacture of the drug under its trade-mark name "Heroin".

There are to my knowledge only four manufacturers of Diacetyl Morphine in the United States, namely, The Powers-Weightman-Rosengarten Company, Philadelphia, The Mallinckrodt Chemical Works, St. Louis, Merck & Company, of New York, and McKesson & Robbins, New York, owners of The New York Quine & Chemical Works. I do not believe that the Bayer Company are making the drug in this country.

No harm, hindrance or even inconvenience to medical practice could ensue if the manufacture and importation of Diacetyl Morphine (Heroin) were forbidden in this country, for the compound does nothing that cannot be done equally well with the lower priced official preparations in the United States Pharmacopoeia, Morphine Hydrochloride and Morphine Sulphate. The case is different, however, with Cocaine, which is necessary in medical, surgical and dental practice. The Cocaine fiend





OFFICE OF  
INTERNAL REVENUE AGENT  
NEW YORK DIVISION

# TREASURY DEPARTMENT

INTERNAL REVENUE SERVICE

NEW YORK, N. Y.

U. S. Custom House April 24th 1918

Honorable E. C. Keith

Deputy Commissioner Internal Revenue

Washington D. C.

Dear Mr. Keith:

Mr. Mattingly is in my room at this time and I have consulted with him as to the conditions which were discussed by us last Sunday. There have been no new developments in the Canadian situation. However, they received news over the 'phone from Plattsburg requesting Bernstein to secure bail in the sum of ten thousand (\$10,000) dollars for Rosansky, alias Lou Rosen, who was recently arrested by the Canadian authorities at the request of the Customs authorities and deported by them as an undesirable alien. Bernstein is evidently expecting an unusually large shipment of narcotics some time next week, judging from the conversations he has had with Fino, a well known dealer in narcotics, over the telephone.

If anything unusual develops I will call you up over the long distance telephone, and will keep you posted from time to time as to the situation.





OFFICE OF  
INTERNAL REVENUE AGENT  
NEW YORK DIVISION

## TREASURY DEPARTMENT

INTERNAL REVENUE SERVICE

NEW YORK, N. Y.

U. S. Custom House April 24th 1918

Honorable B. C. Keith

Deputy Commissioner Internal Revenue

Washington D. C.

Dear Mr. Keith:

Mr. Mattingly is in my room at this time and I have consulted with him as to the conditions which were discussed by us last Sunday. There have been no new developments in the Canadian situation. However, they received news over the 'phone from Plattsburg requesting Bernstein to secure bail in the sum of ten thousand (\$10,000) dollars for Rosansky, alias Lou Rosen, who was recently arrested by the Canadian authorities at the request of the Customs authorities and deported by them as an undesirable alien. Bernstein is evidently expecting an unusually large shipment of narcotics some time next week, judging from the conversations he has had with Fino, a well known dealer in narcotics, over the telephone.

If anything unusual develops I will call you up over the long distance telephone, and will keep you posted from time to time as to the situation.



- 2 -

Any further instructions you wish to give in  
this matter will be gratefully received.

Respectfully,

A handwritten signature in cursive script, appearing to read "J. J. Santt", written in dark ink. The signature is fluid and stylized, with a large loop at the end of the last name.

Revenue Agent.

DJG/HB





OFFICE OF  
INTERNAL REVENUE AGENT  
NEW YORK DIVISION

## TREASURY DEPARTMENT

INTERNAL REVENUE SERVICE

NEW YORK, N. Y.

U. S. Custom House April 25th 1918

### Personal and Confidential

Honorable B. C. Keith  
Deputy Commissioner of  
Internal Revenue  
Washington D. C.

My dear Mr. Keith:

Mr. Grossman and Mr. Mattingly are in my room at this time and I thought it best to advise you of the narcotic situation as it is developing.

Nothing of importance has developed on the Canadian end, and Mr. Grossman is of the opinion that Sam Bernstein has made a connection with Max Singer for the reason that he heard Bernstein call up Max Singer and make arrangements, and tell him that he had received a thousand dollar deposit on a deal. He then had him talk to another man who is interested, by the name of Wallace, and Wallace told Max Singer that the other goods cannot be disposed of at once on account of salt water damage; that everything was all right, and then they arranged a meeting for the coming Friday evening in one of Childs' restaurants at seven-thirty P.M.

It is the opinion of both Mr. Grossman and Mr. Mattingly, and Mr. Benson, who have been working on these cases, that they should immediately change their place of operation and install a better outfit and tap the Singer apartment and Hinnie Fishel's apartment, who is also connected with these transactions.

If you get this letter in time suppose you call us up over the long distance telephone at noon to-morrow, between twelve and one o'clock, so that Grossman and Mattingly can talk to you personally about this matter, if you deem this of sufficient importance.

Respectfully,

Revenue Agent.





OFFICE OF  
INTERNAL REVENUE AGENT  
DIVISION OF  
NORTH AND SOUTH DAKOTA  
AND MINNESOTA

## TREASURY DEPARTMENT

INTERNAL REVENUE SERVICE

ST. PAUL, MINN.

Oct. 19th, 1917.

Mr. E. C. Keith,  
Chief, Miscellaneous Division,  
Washington, D.C.

Dear Mr. Keith:

I received your letter before I left San Francisco enclosing information upon a narcotic examination held by yourself in Tennessee. I used your questions at the examination of the applicants in San Francisco, assisting Mr. Snyder, the local Civil Service Secretary.

I found Mr. Ward at Seattle and also Mr. Snyder at San Francisco, two wide-awake practical Civil Service men; there is no foolishness about them. They understand the needs of the Service very well and while they are partisans of the Civil Service principle, I think they are practical men and believe in the adaptation of the rules to meet the present needs of the service.

Oyler and Truckson<sup>ytun</sup> made some good cases while in the San Francisco Division and during Mr. Oyler's absence Truckson ran into some good information at Reno, Nevada. There is no doubt but that there is a crooked combination in San Francisco between the State narcotic



Keith:

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officers and the local dope supply houses. We had intended to give a good deal of time to that phase of the subject and I believe these State people could be caught. I have no doubt that this phase of the subject will be taken care of in the future.

You are aware, of course, that I was transferred to this Division on the first of October. I was in the San Francisco Division such a very short time that I barely got turned around much less <sup>had I</sup> taken a survey of the two thousand wineries that need attention. I had started something rather sensational on the income tax situation there and had I remained in the division you may believe me, Mr. Keith, there would have been a different division in the course of six months or a year than there is now. However, I have no doubt that my good friend Billy Anderson will be equally successful.

I have just written Oyler a letter telling him that there is plenty of work to do here on narcotics from what information I can gather. They bring it over from Winnipeg in automobiles, so the story goes, and morphine and heroin and other kinds of dope are peddled about here pretty boldly, so the information goes. I hear that the Court in this City is against us and it is also stated that the Assistant District Attorney is not as strong for the Government as he might be.



Keith:

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I know nothing about this but when these inventories are taken and we get a chance to do some work here I shall try to see what can be done. Later on I wish you would send Truckson and Oyler to help out the new narcotic man who just came up from Old Mexico or Denver or some other seaport, I do not know which.

Now, Mr. Keith, I wish you would write me once and a while and let me know how things are moving with you folks at the Department. One of the great disadvantages in the service when we are some distance from Washington is that we cannot always keep in touch with what is going on, so a personal letter once in a while would be appreciated.

Yours respectfully,

*W. B. Boulden*

CEB-K

Revenue Agent.



Stier's Prescription Pharmacies

Clifton and Tudlow Aves., Clifton

Madison and Woodburn Aves., Walnut Hills

Cincinnati.

Dear Mrs. Keith:

Should you be near Cincinnati at any time I would like to see you and tell you something which I know would interest you in reference to certain agents and the Harrison Act. I wanted to go to Washington to see you but the Influenza rush prevented

Respectfully

Geo. F. Stier



*For Mr. Keith*

Dr. W. S. Allen, Jr. (Atlanta): If it is in order at this time I want to offer a resolution which I think expresses the wish of this Association regarding the amendment to the Georgia Drug Law, or rather the Georgia Pharmacy Law. We have had quite a good deal of experience in the past in going before legislative Committees in not having a printed resolution, or not having a copy of the proceedings, showing the arguments pro and con with reference to a certain Bill we were trying to pass; and I think it is very important that this Association go on record as endorsing this, and I would be very glad, and it would be beneficial to the Committee, to have a few talks made here regarding the merits of this resolution. Your reporter is going to take them down, and they will be printed in the proceedings, and they will be of considerable value to your Legislative Committee when we start out before the Legislature.

Resolved, that it is the unanimous wish of the Georgia Pharmaceutical Association that the Georgia Narcotic Law be so amended that the sale of narcotic drugs as set forth in Section 6 of the Harrison Act, be confined to the licensed druggists of this State. This is meant to cover Paregoric, Bateman's Drops and other similar preparations that are exempted under the Harrison Act and are now sold without restrictions in Georgia.

As explained to you yesterday, somebody said they bought paregoric out of a blacksmith shop, and Bateman's drops out of a drug store—not a drug store, but a grocery store, I believe. Our wholesale druggists have gone on record here as stating that they would be in favor of this measure, and they could not oppose this as they did the one where we were trying to restrict the sale of patents and finally restrict to pharmacists. They opposed that for it was interfering with their business, and there was to be an influence brought to bear by representatives of people, who lived away out some distance from town. The Bill was defeated. The wholesale druggists have stated very plainly—Mr. Ford said yesterday—that they would be heartily in favor of this Bill. Of course all drugs should be sold through the proper channel.

This is going to cause some little opposition. There never has been a good measure passed that has not had some opposition. When this Bill was passed, the suggestion was made "What are you going to do with the poor unfortunate who cannot get this stuff?" Some of them have had to suffer. Some of the doctors, who have been in the habit of prescribing narcotics when they didn't know what was the matter with a man, have had our aided their practice to some extent. It's going to work a hardship, perhaps, on some living in the extreme rural districts, but in the end it's going to serve a good purpose by placing these things in the proper channels, by placing them in the hands of the druggists and drug stores.



The druggists of the State are all registered in the different places. It's a mighty easy matter for the Department to trace up violations of the Narcotic Law, when there is only one avenue to work through, and that's the drug store. I hope this resolution will be discussed and passed.

Dr. A. L. Curtis (Atlanta): That seeks to place in the hands of the druggist any preparation containing 1.8 grains of opium per ounce?

Dr. W. S. Elkin, Jr. (Atlanta): I forget the precise age, but as embodied in the Harrison Act, Section 6.

Dr. A. L. Curtis (Atlanta): If that's the effort, it's a wise thing to introduce. I think it ought to be the same way with these solid preparations. It ought to all be sold by the drug stores in this State, and not be sold in black-and-white shops and bar-rooms and country stores, and any and every place that people desire to sell medicine. I am heartily in favor of the passage of that resolution.

Dr. E. S. Wise (Atlanta): Our time is going to be very limited. We had this discussion very completely yesterday. I don't believe we can improve on it at all, and if the stenographer will just re-write those same addresses that we had yesterday, and attach it to this, this discussion will be shortened and we will save a great deal of time. And it will enable us to carry out our program. We are going to leave here, we hope, by 12:30, or possibly 1 o'clock. This discussion is following exactly the discussion we had yesterday, and can't be just a short discussion on this?

Dr. E. J. Keiffer, Jr. (Savannah): It makes no difference what entertainment we have. I am up here for information and profit by this meeting, and if we sit here all day and argue questions which are of benefit to our members, we ought to do it, whether we have any pleasure or not.

Dr. E. S. Persons (Macon): I agree with you thoroughly, Dr. Keiffer. I opposed this resolution yesterday. I am opposed to it, and I claim to be a legitimate druggist. If you permit this stuff to be shipped in here to grocery stores and black-and-white shops, the State Drug Inspector is powerless to catch it. He can't inspect every retail drug store and every grocery store and every black-and-white shop, and you are cutting your own throat. Every law that has been passed in the State of Georgia has been to restrict your sales. Now I put humbly above mine, and I will close other avenues to these habitues, then don't close us. There is no way on earth that you can stop the sale of poison until you put it in the Harrison Narcotic Law. You can put it in the State law all you want to, but the grocery stores and black-and-white shops have no respect for your State laws. You know it, and I know it. Why? Because Georgia was one of the first States which had a Narcotic Law, and it was not enforced. Dr. Case said yesterday that Mr. Blalock could enforce it, if he put it in the State law. Mr. Blalock made the statement that he could do all he



could to enforce it, and he would say something in his line  
about it, but his hands are tied.

Don't be sensible and sane for a minute. It does not  
mean a few dollars, perhaps, but it's got to close the  
other places first that have got no business dealing in these  
things. I am like Dr. Case: I am every model of legitimate  
drug business, but I don't want the drug stores closed and the  
flood-gates left open elsewhere.

Dr. W. S. Elkin, Jr. (Atlanta): Mr. President, I am really  
astounded and surprised at my good friend from Bibb County. It  
is not often that we have the pleasure of seeing one another  
on the floor. It really seems so seldom it is like a picnic to  
argue with a man, that can argue as well as Ben Parsons does; but  
I am surprised that he would get up here and say to you, in person,  
as intelligent and bright and happy as you look this morning, in  
this matter of up-lifting humanity, "Boys, we can't do anything  
with it down here in Georgia; let's turn it over to the Govern-  
ment and tell them to do it."

Where did the cause of prohibition start? Did it start  
at the Government in Washington to say there should be no liquor  
consumed in this country? They began at the little cross-roads  
church, where they have their prayer-meetings every Thursday night  
and where they worship God as they should. The movement began  
there, and from there spread out through the length and breadth  
of the State. Are you going to say to the man in Washington "We  
want to confine prohibition down here to the drug stores in Georgia,  
but we can't do it down here, for we have a little one-ore  
Government that can't carry out the law when they pass them?"

He was informed yesterday, too, by our good friend, George  
Case (and Dr. Elalock said he would absolutely believe him) that  
Dr. Elalock in his department, in his office, even if he goes out  
of it when they change the administration on next June (which they are  
not going to do) will lend his moral influence and work with us to  
carry out this law in Georgia. With that kind of assurance I don't  
think we have anything to fear as to being able to carry out the  
provisions of this law. Certainly there can be no real argument  
on the line of Dr. Parsons' contention of waiting until the Govern-  
ment passes this kind of a law. I would like very much to hear  
express one from other members on this subject.

Dr. George D. Case (Atlanta): This whole matter from a  
parliamentary standpoint is out of order. This whole matter of  
the prohibition question was settled yesterday. Dr. Elkin arose a  
few minutes ago for the purpose of explaining the matter to some  
one not present yesterday, when this matter was under discussion.  
It was voted on, and it seemed to be unanimous. Therefore, Mr.  
President, this whole discussion right now is out of order; but  
since we are in favor of the passage of this Act, I won't insist  
on that point at all, because I believe in absolutely free talk  
about anything now occurs before a body of men. I believe, if  
there are any, and I think there are good reasons by the sale of  
Barthman's drugs and paraphernalia and the sale of these drug  
stores in Georgia, and that the sale of these articles should be



life as it is, let's have a free discussion, even if it is out of order. I am not going to raise or lower upon this point of order—but, gentlemen, the argument is all one way, and there is a great big reason why it is true that the law can be enforced. In the enforcement of the Harrison Act, which Mr. Blalock is carrying on in this State in the most kindly way in the world, his instructions to these people, who work for him, are to have as few prosecutions as possible, and involve as few people as possible in the enforcement of the law. He wants the law explained to people. He is not in favor of going out with fist raised at all, and he never has been for one second. He wants all difficulties effaced, so that the druggists can read, understand, and act for themselves.

Now that have we come to? After one year's trial of the Harrison Act in Georgia Mr. Blalock is in position to prove to any man that wants to know the facts that the sale of narcotic drugs has fallen off 65 per cent. Talk about reformation. All the reformations in the world have never thought of such a reformation as that. This awful evil of drug addiction has been brought down to that large extent in one year's time. And what do we see now? Many of these poor unfortunate people, who have the worst affliction in getting narcotic drugs, have resorted to drinking paregoric. The druggists are not selling them this paregoric. As I stated here yesterday, I found it in a bar-room on sale by the side of bottled liquor. I know of a drug store in the State of Georgia—I can prove what I say—that had on sale paregoric, that was more than twice as strong as the pharmacy law allowed it to be made. I can prove that. That was in a drug store, manufactured by a druggist.

For the good of humanity—and the druggists want to do their part—let's stand by a thing that will help these poor suffering people. Let's fix it so that the restriction of the sale of paregoric shall be accomplished within our own State. Let's do that at home, and let's confine this thing in the proper channel.

Dr. Max Morris (Macon): I would like to ask Mr. Elkin a question. Does this law simply speak of paregoric or everything under Section 6? Does it take in the various cholera morbus remedies and other things?

Dr. W. C. Elkin, Jr. (Atlanta): My impression is, it does not. Dr. Case says it does not.

Mr. A. C. Blalock (Atlanta): Dr. Parsons has asked me a question, and with your permission I will have another word to say. A year and a half ago, when this law first went into effect, I took hold of the matter with fear and trembling. It was a grave question with me. I knew I didn't know at that time but little about drugs. You know I have a good deal of faith in Georgia yet. Georgia has been condemned over the Union lately as much as any State, but I have faith in her. I believe, with the right kind of a law passed, restricting the sale of paregoric and like preparations, Georgia will enforce the law. I believe all measures of this kind ought to have the backing of the State Board of Health, and the Boards of Health in cities. I believe the very minute they



would notify the retail druggists of this law with a plain, commonsense letter that it is a violation of the law to sell me, perhaps 35 per cent of them would sign it out at once. I don't believe the purpose is to sell it for profit, and I believe, if some central force in Georgia notified these people and put them squarely on notice of the law and its provisions, Georgia law, so far as it relates to drugs, would be respected. That's my honest judgment. I think the health officers of this State to mean something to Georgia, so far as health is concerned. They wouldn't be the authorities of the State take charge of it, and they couldn't be any in the State. The State of Georgia is a separate entity. Country and it takes a special charge of that matter, and call the attention of the people to it. I have even the people in Georgia will come to hear obeying the law as my duty.

While the collector of Internal Revenue has to be given power to enforce this law, I will send out to him and I think a letter sent to every retail druggist throughout the State will have the effect, and I think by a sensible effort to enforce the law we will have little trouble in Georgia.

I want to thank you all for your interest to me. I feel like I am one of your body. I carry the same you. I carry the suffrage to vote: I don't like to vote for you, but I don't.

Mr. T. F. Murtack (Cedartown): There's lots of paragon's sold in the State of Georgia that is called commercial paragon's or grocer's paragon's, that is just about half a paragon, and country people will go and buy that. When they come to a drug store, where they get the pure stuff, they will try to get the pure stuff they have been taking that poor stuff.

Mr. Max Morris (Macon): The pure food and drug law will not allow any manufacturers to pass such commercial paragon's. All manufacturers have got to comply with the pure food law.

Mr. George F. Gule (Atlanta): Well, they have got to stop selling it. They are selling any old thing.

Mr. Max Morris (Macon): The Governor will prosecute any manufacturer, that is not making up to the law requirements of the pure food law.

Mr. T. F. Murtack (Cedartown): Catching before hanging, my dear friend. I have seen this kind of stuff once or twice.

Mr. H. F. Murtack (Columbus): I have one thing I wanted to say about after Mr. Wise had a offer. I don't make any motion, but will accept the motion of Mr. T. F. Murtack, who is in the Legislature going to be the legislative committee, I believe in it. If it is restricted to druggists the quantity and it is to be sold as well. If you go before the Legislature and say "we want to have the druggists control the sale of paragon's," they will say "no, for profit?" We would say "no, we want it controlled by the Legislature, and the quantity limited."

In practice we found that the Legislature had the paragon's



habitués did come back onto paragonic. The first thing he did was to cut the 25 cent to 15; nobody was excited; then he cut it to 10 cents; then he cut it to nothing except absolute necessity.

I had a call from a certain number of a very respectable negro in Columbus, asking me to send a bottle of paragonic. The matter was referred to me personally, and I said "send it." When the boy came back, he said "Doctor, that was not those people in that house at the number, that I asked about. That was that boy so-and-so, and he told me to bring him another one."

Is a dangerous thing, and it's all over the State. We want to confine it to drug stores, and limit the quantity.

Dr. T. A. Anderson (Lawman): If he needs over an ounce, when he needs a doctor.

A member: I never saw any improvement in the negro's condition until after the Harrison Law went into effect. We had a State Law as stringent as we could make one, but we never had any improvement in that line until the Harrison Law came along. The State Law was not effective, as everybody knows, and there is no use in trying to deny that. Everybody knows there was no prohibition at all, and anybody could get anything from morphine on up, and they could get it in general stores, black and white, and everywhere else they wanted. Unless there would be some way to enforce the law as the Government is enforcing the Harrison Law, it would be absolutely worthless.

Dr. B. B. Persons (Macon): There seems to be very few of us that are law-breakers, or that put the dollar above humanity. Our attitude is not exactly that. Dr. Ekin called the prohibition law, whiskey is sold in the State of Georgia today. The prohibition party are fighting for the United States Government to make prohibition national. You know that as well as I do. You can't accomplish results with a State law; you can't do it.

or these wholesale houses shipping the stuff in here—can that be restricted?

Dr. W. S. Ekin, Jr. (Atlanta): The law could provide that it cannot be sold in the State. Therefore, if the big store merchant brings it here it can't be sold.

Dr. B. B. Persons (Macon): What is the difference in this law and the narcotic law, which we had prior to the Harrison Law? It didn't prohibit them from selling it. It was sold before the Harrison Act was passed, notwithstanding your State law, and you will not be likely to stop the sale of paragonic and similar preparations until it is made a part of the Federal Law.

Dr. W. S. Ekin, Jr. (Atlanta): We may have some trouble in keeping it out of every black and white shop, but I think if we don't keep it out of 1000 of these, it is past time.



Mr. E. S. Persons (Jackson): You and I are going to get 500 gallons and five gallons and they are not going to come to us for it. It is going to be sold in the grocery stores and bar-rooms, and such places, and you can't enforce a State Law. You can't enforce a State Law of the Superior Court or the old courts-General, and you can't stop it. I am sorry, of course, to differ with a majority of this Association, because in this country the majority are usually right, but I must differ with you on this proposition.

Mr. E. J. Keiffer, Jr. (Savannah): Mr. Blalock, being Internal Revenue Collector of Georgia, is in possession of all our every draught of paragon or morphine or any thing else that is shipped into the State, and by the co-operation of Internal Revenue Collectors in other States, I think we could get all the information we could and could all the way to the paragon was being shipped, and our State Inspectors could look into the proposition and see if they were being prosecuted.

Mr. E. S. Persons (Jackson): Can Mr. Blalock, when his office expires, then his term of office has expired? Can he find his successor to furnish us with this information?

Mr. E. L. Murray (Americus): We are here endeavoring to do some good. We have got to take the first thing closest to us, and do what we can. The Georgia Legislature was the closest thing to us. It is the most rapid thing we can lay our hands upon. The Government at Washington is slow to act, and then very firm in its action. We are all of one accord on the question of the moral issue of this proposition, and we are endeavoring to do it to do some good for the people. I think we are wasting time by considering for a moment making our complaint to the Government, or endeavoring to change this Anti-Smoking Act to conform to our State name; but by getting the Georgia Legislature to back up our good intentions, that will have the weight in Washington at the next meeting of Congress. And I want to say that I am quite sure that whoever succeeds the Hon. A. C. Blalock will certainly follow in his footsteps.

Mr. E. J. Keiffer, Jr. (Savannah): I would like to make a motion that this resolution be adopted and that the Georgia Pharmaceutical Association go on record as favoring the resolution.

Mr. C. E. Jordan (Monticello): I am impressed with one thing, and all these members, while they differ in their viewpoints, have but one object in view, the abolishment of one practice; and, while Mr. Persons differs with Mr. Case as to the execution of the proposition, and Mr. Case differs with Mr. Persons as to the viewpoint, Mr. Persons is now the less loyal in trying to see these conditions brought about. They are entirely honest and sincere in their views. We please your State Government to take it up, and please your National Government to take it up.

Now, gentlemen, let's make an example of the law that we justly occupy as the "Mighty State of the South." Let's set an example for the United States Government. Let's let Georgia take







*File*

CHARLES B. TOWNS  
293 CENTRAL PARK WEST  
NEW YORK

Nov. 12th, 1918

My dear Mr. Keith:

By the same mail I am writing to Mr. Roper to thank him for his courteous reception of myself and Mr. Reynolds, when we called upon him with you.

I stated that I shall carefully prepare a statement embodying the results of my life time of experience in the treatment of drug-addiction - the underlying causes of addiction and my conclusions as to its restriction. As this letter will doubtless be brought to your attention by Mr. Roper I wish to say to you that the thought expressed by Mr. Reynolds in our last interview with you should be given every consideration.

As he stated there are so few who really know enough about the complicated problems associated with harmful drugs to intelligently act - while on the other hand there is so much to be done in a constructive way - that certainly all who are unselfishly interested in the subject should work in the closest touch.

We shall proceed with our organization with a firm intention to work in the utmost harmony with individuals, firms, corporations and governmentals having to do with any phase of the handling of drugs, from production to consumption, on the assumption that all right minded men will cooperate - and that such are in the majority. There is a vast amount of educational work to be done, just as Mr. Roper so clearly pointed out.

As an illustration - right now I have a patient under treatment for confirmed morphinism who started through a prescription of a fellow physician of a caught losenge for a simple cold. It stopped the caught, relieved the cold, and he kept taking them in ignorance of contents. One morning, a month after beginning, he found himself out of the lozenges - a sneezing and perspiration and all the well known symptoms of addiction promptly manifested themselves and he realized that he was landed with the drug habit. Then it took morphine to satisfy and now four months later he is here for definite medical treatment. The lozenges contained 1/12 of a grain of heroin. Yet they were sold over the drug counter along with the other damnable concoctions containing "minimum" quantities - and landed a doctor through another doctor. What chance have layman up against that?

Very sincerely yours,

Mr. B. C. Keith

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*Chas. B. Towns*



(T. D. )

In pursuance of Section 1008 of the Revenue Act of 1918, approved February 24, 1919, narcotic drugs forwarded to the United States under this provision of the law may be delivered to any department, bureau, or other agency of the United States Government upon proper application therefor upon a blank upon which shall be shown the name, address, and official title, bureau, or agency, and department of the person to whom the drugs are to be delivered and the kind and quantity of drugs desired, together with a statement showing the need for such drugs. The delivery of such narcotic drugs shall be approved by the Head of the Narcotic Division if, in his opinion, there exists a medical or scientific need therefor. The order will be filled by the committee designed for the destruction of drugs who will obtain a receipt in full.

D. H. Blair.  
Commissioner of Internal Revenue.

APPROVED:

Secretary of the Treasury.



Secretary of the Treasury.

APPROVED:

D. H. Blair,  
Commissioner of Internal Revenue.

In pursuance of Section 1006 of the Revenue Act of 1913, approved February 24, 1913, narcotic drugs forwarded to the United States under this provision of the law may be delivered to any department, bureau, or other agency of the United States Government upon proper application therefor upon a blank upon which shall be shown the name, address, and official title, bureau, or agency, and department of the person to whom the drugs are to be delivered and the kind and quantity of drugs desired, together with a statement showing the need for such drugs. The delivery of such narcotic drugs shall be approved by the Head of the Narcotic Division if, in his opinion, there exists a need or scientific need therefor. The order will be filled by the committee assigned for the destruction of drugs who will obtain a receipt in full.

(S. D.)



(T. D. )

In pursuance of Section 1008 of the Revenue Act of 1918, approved February 24, 1919, narcotic drugs forwarded to the United States under this provision of the law may be delivered to any department, bureau, or other agency of the United States Government upon proper application therefor upon a blank upon which shall be shown the name, address, and official title, bureau, or agency, and department of the person to whom the drugs are to be delivered and the kind and quantity of drugs desired, together with a statement showing the need for such drugs. The delivery of such narcotic drugs shall be approved by the Head of the Narcotic Division if, in his opinion, there exists a medical or scientific need therefor. The order will be filled by the committee designed for the destruction of drugs who will obtain a receipt in full.

D. H. Blair.  
Commissioner of Internal Revenue.

APPROVED:

Secretary of the Treasury.







(T. D. )

In pursuance of Section 1000 of the Revenue Act of 1918, approved February 24, 1919, narcotic drugs forwarded to the United States under this provision of the law may be delivered to any department, bureau, or other agency of the United States Government upon proper application therefor upon a blank upon which shall be shown the name, address, and official title, bureau, or agency, and department of the person to whom the drugs are to be delivered and the kind and quantity of drugs desired, together with a statement showing the need for such drugs. The delivery of such narcotic drugs shall be approved by the Head of the Narcotic Division if, in his opinion, there exists a medical or scientific need therefor. The order will be filled by the committee designated for the destruction of drugs who will obtain a receipt in full.

D. H. Blair.  
Commissioner of Internal Revenue.

APPROVED:

Secretary of the Treasury.



(S. D. )

In pursuance of Section 1006 of the Revenue Act of 1910, approved February 24, 1910, narcotic drugs forwarded to the United States under this provision of the law may be delivered to any department, bureau, or other agency of the United States Government upon proper application therefor upon a blank upon which shall be shown the name, address, and official title, bureau, or agency, and department of the person to whom the drugs are to be delivered and the kind and quantity of drugs desired, together with a statement showing the need for such drugs. The delivery of such narcotic drugs shall be approved by the Head of the Narcotic Division if, in his opinion, there exists a medical or scientific need therefor. The order will be filled by the committee designed for the destruction of drugs who will obtain a receipt in full.

D. H. Blair.  
Commissioner of Internal Revenue.

APPROVED:

Secretary of the Treasury.



(U. D. )

In pursuance of Section 1000 of the Revenue Act of 1918, approved February 24, 1919, narcotic drugs forwarded to the United States under this provision of the law may be delivered to any department, bureau, or other agency of the United States Government upon proper application therefor upon a blank upon which shall be shown the name, address, and official title, bureau, or agency, and department of the person to whom the drugs are to be delivered and the kind and quantity of drugs desired, together with a statement showing the need for such drugs. The delivery of such narcotic drugs shall be approved by the Head of the Narcotic Division if, in his opinion, there exists a medical or scientific need therefor. The order will be filled by the committee designed for the destruction of drugs who will obtain a receipt in full.

D. H. Blair.  
Commissioner of Internal Revenue.

APPROVED:

Secretary of the Treasury.



*Mr. Blanchard Mr. Allen*  
*The Ray should be an*

That a regulation should be adopted by the Commissioner of Internal Revenue compelling registrants dealing in exempt preparations to keep a record of purchases of such preparations in addition to the record of sales of exempt preparations which the regulations now require.

We find it difficult to ascertain amount of paregoric and other exempt preparations purchased by the dealers under present regulations.

Reference to Treasury Decision 3643 relative to reshipping original containers by express separately which weigh one ounce or less. Is it the intention of the Department that they should be shipped separately or can they be combined and shipped with other packages.

Re increases.

Permission of shipping surrendered drugs now on hand as space is very limited, and are not properly safeguarded, same not being in a vault, now being stored in one of the rooms of this office.

Ask about making O'Malley's post of Duty at Manchester, N.H. for 60 days due to financial and health conditions.

*Mr B handed this to me to file Jan 26 25  
He took it up with Allen  
now again ok RAV*

*Wm J. Lawrence*  
*inform*



TERMS OF U. S. DISTRICT COURT

GREENEVILLE:

First Monday in March and third Monday in September.

CHATTANOOGA:

Fourth Monday in April and second Monday in November.

KNOXVILLE:

Fourth Monday in May and first Monday in December.

Department of Justice.

OFFICE OF UNITED STATES ATTORNEY,

EASTERN DISTRICT OF TENNESSEE,

~~KNOXVILLE~~ Chattanooga, Tenn.,

May 19-1921.

Pro-Legal-RCV-N-RE: 064444

Hon. John F. Kramer,  
Prohibition Commissioner,  
Washington, D.C.

Dear Sir:

I acknowledge receipt of your letter of May 17th, in regard to the desirability of requiring the druggist clerk or prescriptionist who dispenses narcotic drugs on a prescription of a physician to endorse thereon, in addition to the date of filling and the number thereof, his name, showing that he made the dispensation in question.

I note your views that it should not be difficult to convict in cases of this character by reason of the fact that the burden would be on the defendant, - who might be an owner of a drug store - to rebut the presumption that he personally filled the prescription; and also the statement of your views that addict witnesses by whom could be proven the identity of the actual person filling the prescription could be called by the Government.

In actual practice the difficulties which I set out in my letter of April 14th, frequently occur. In many cases an addict takes a prescription into a drug store and hands it to the Cashier, the soda-fountain boy, or some other clerk who then takes it to a prescriptionist, who fills and actually dispenses the drug. The addict witness may not have his attention called to the matter until months afterwards, and he is then unable to state who actually dispensed the drug. If the owner of the drug store is a corporation, of course, it can be convicted for the unlawful acts of any of its agents; but where the proprietor (or proprietors) of a drug store was nevertheless guilty, so far as they are concerned his personal guilty knowledge or participation in a sale must be proven as a part of the Government's case.



Moreover, the proprietor might be convicted in cases where his records and course of business indicated he had authorized sales actually made by his clerks or prescriptionist without his actual knowledge of the particular sale but in the course of his general business, and the clerk who actually made the sale would not be indicted and would escape punishment because his identity would be unknown. I think it highly desirable in all cases of this kind that not only should the proprietor of the store be indicted, but also the Clerk or prescriptionist who actually dispenses the drug.

The testimony of addict witnesses in narcotic cases is always of the most unsatisfactory character. In but few cases do they fail to do everything possible to protect the druggist or physician under indictment, and they can easily state they do not remember who actually dispensed the drug.

It is always hard to get any kind of conviction under the Harrison Act where the physician or druggist is registered and licensed, owing to the many loop-holes in the law, and anything which will tend to simplify the presentation of the Government's evidence in cases of this character and assist United States Attorneys is highly desirable.

I, therefore, renew my suggestion to you that the Revenue Department adopt and promulgate a regulation requiring the prescription to be not only dated and numbered, but also the clerk or prescriptionist filling same to actually sign his name thereon in his own handwriting.

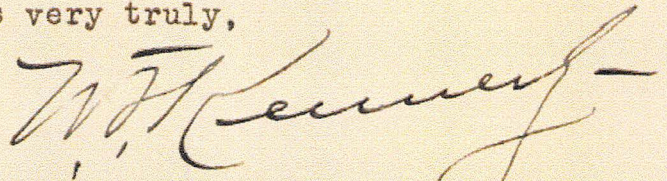
I have just tried a case here where the prescriptions were numbered with a numbering machine and the date placed thereon with a rubber stamp- the prescription itself bearing no evidence as to what clerk actually filled same.



These suggestions if adopted by you will in no way help me in future trials of cases, as my term of office will shortly terminate, and I am not personally interested in the matter; but it will result in assistance to United States Attorneys if some system is adopted to fix personal guilt on the man actually dispensing narcotics.

WTK/c.

Yours very truly,

A handwritten signature in cursive script, appearing to read "W. F. Keener", followed by a horizontal line.

U. S. Attorney.



Pro-Reg. 064444

Pro-Regal.  
RSV-N- Re:064444.

May 17, 1921

Hon. W. L. Kennerly,  
United States Attorney,  
Knoxville, Tenn.

Sir:

Receipt is acknowledged of your letter of April 14, 1921, in which you state that it would very much facilitate the trial of cases against druggists under the Harrison Narcotic law if the statute could be so amended as to require the druggist's prescriptionists or clerks who actually fill prescriptions and dispense narcotics, in addition to numbering the prescriptions and endorsing thereon the date on which filled, to sign their names thereon evidencing their individual responsibility in dispensing the narcotics. You also suggest in the absence of legislation on the subject, that this object might be accomplished by regulation, which, if promulgated, would no doubt be complied with by most of the druggists.

It is not quite clear wherein the difficulty exists in securing the conviction of druggists where the prescriptions are filled by employees. This difficulty has not been experienced in other jurisdictions, and the Department is somewhat at a loss as to the manner in which this matter may be approached. It is the understanding of this office that in cases of this nature, the Government introduces the prescriptions in evidence, the same to be identified by the Internal Revenue Agent. In the event such prescriptions do not show they were issued unlawfully, the testimony of the addicts may be introduced. This, it would appear, would make a prima facie case, and require the defendant to rebut such testimony either by controverting the facts established by the Government or



by claiming that the sales were made without his knowledge or contrary to his express directions. In rebuttal the Government will be permitted to show by the introduction of prescriptions in addition to those involved, that the druggist must have been aware of the manner in which the business was being conducted. It then becomes a question for the jury to decide whether the prescriptions were filled in the regular course of business.

In this connection, your attention is invited to the decision of the Circuit Court of Appeals in the case of Mitchell vs U. S. (229 Fed. 361), which arose under the Food and Drugs Act, and in which testimony of this character was introduced. The Court held:

"When he (defendant)\* \* \* \* \* asserted that this transaction was a secret one, "put over him" behind his back by Shannon, who wished to do an ill turn to Heidmann & Co., and by defendant's faithless clerks, he told a plausible story. The jury might well believe that as to this single instance of misbranding he knew nothing. It was then quite legitimate to show that, so far from this misbranding being a single incident, it was one of many being carried out by his clerks, who had no pecuniary interest at all in such misdoings, for the evidence showed that all of them were paid salaries, with no commission. These circumstances were such as a jury might fairly consider when deciding, as they must, whether or not they would believe his statements that he knew nothing at all about repeated misbranding by his firm, being himself in charge of the coffee side of its business. Since the court most carefully guarded the interests of defendant against any possible misconception by the jury touching the effect of such evidence, we find no error in its admission under the authorities. Williamson v. U. S., 207 U. S. 425, 28 Sup. Ct. 163, 52 L. Ed. 278 (citing Holmes v Goldsmith, 147 U. S. 150, 13 Sup. Ct. 288, 37 L. Ed. 118); Wood v. U. S., 16 Pet. 342, 10 L. Ed. 987; Farmer vs U. S. 223 Fed. 902, 139 C. C. A. 341; Stern v U. S., 223 Fed. 762, 139 C. C. A. 292."



- 3 -

As to your suggestion that the law be amended to provide for the endorsing of prescriptions, it has been the experience of this office that Congress is loath to increase the burdens of legitimate business conducted under this Act, merely because it may assist prosecution of violators.

The matter of amending the regulations to provide for such a requirement is now under consideration in accordance with your suggestion.

This office desires to express its appreciation of your interest in the proper enforcement of this law, and to thank you for the suggestions. It would also be glad to receive a further expression of your views in the light of the foregoing.

Respectfully,

(Signed) John F. Evans

Prohibition Commissioner.

B

MAY 13 1921

Enon. Rev. B. A. Webb

MAY 13 1921  
Page 142



PROHIBITION UNIT  
OFFICE OF  
COUNSEL TO PROHIBITION COMMISSIONER

Pro-Counsel  
PAV

May 7, 1921.

Mr. Valentine:

The possible objection to the course suggested by the United States Attorney stated in the second paragraph on the third page of the attached proposed letter does not seem to me a very serious one.

In any event persons who do not conform to the regulations are not subject to prosecution. If we believe that such a regulation would be a good thing, I think that we should issue it without worrying about such technical objections thereto.

A handwritten signature in dark ink, appearing to be 'R.V.' or similar, with a stylized flourish.

atd



As to your suggestion that the law be amended to provide for the endorsing of prescriptions, it has been the experience of this office that Congress is loathe to increase the burdens of legitimate business conducted under this Act, merely because it may assist prosecution of violators.

The matter of amending the regulations to provide for such a requirement is now under consideration in accordance with your suggestion. (Some hesitation is felt, however, for the reason that Section 2(b) of the Act contains the requirements which the legislators conceived to be necessary in such a case. Any additional requirement might be held unauthorized under the rule of expressio unius est exclusio alterius.)

This office desires to express its appreciation of your interest in the proper enforcement of this law, and to thank you for the suggestions. It would also be glad to receive a further expression of your views in the light of the foregoing.

Respectfully,

Prohibition Commissioner.

OMT



TERMS OF U. S. DISTRICT COURT

GREENEVILLE:

First Monday in March and third Monday  
in September.

CHATTANOOGA:

Fourth Monday in April and second Mon-  
day in November.

KNOXVILLE:

Fourth Monday in May and first Monday  
in December.

Department of Justice.

OFFICE OF UNITED STATES ATTORNEY,

EASTERN DISTRICT OF TENNESSEE,

KNOXVILLE.

April 14th, 1921.

Hon. John F. Kramer,  
Federal Prohibition Agent,  
Washington, D.C.

Dear Sir:

As the new Congress has just convened, I think it proper to call to your attention a necessary amendment to the Narcotic Laws. It would very much facilitate the trial of cases against druggists under this law if the statute required that the druggist, prescriptionist or clerk who actually fills a prescription and dispenses narcotic drugs pursuant to a prescription should, in addition to numbering the prescription and endorsing thereon the date on which filled, be required to sign his name thereon, evidencing the fact that he has dispensed narcotic drugs on prescription.

To illustrate: Narcotic Agents may go into a drug store employing more than a dozen clerks and prescriptionists and check the narcotic files and find numerous prescriptions which have been filled in apparent violation of the Federal Statute; but in many instances it is difficult to fix the personal guilt of the man who filled the prescription. If the owner of the drug store is a corporation, of course, the mere finding of these prescriptions on its files would be sufficient to convict the corporation; but if the owner of the store is an individual I find that it is necessary to go further and prove that the proprietor either authorized the dispensing of the drugs or participated therein.

It might be that this object could be accomplished by regulation promulgated by the Revenue Department. If such a regulation were made no doubt most of the druggists would comply therewith.

WTK/c

Yours very truly,

Page 145





~~Designation of certain physicians to treat narcotic cases it should not be lawful to~~  
~~action against them.~~

Any properly qualified physician including city physician is permitted by law to furnish ~~narcotics in restricted quantities~~ where dosage is controlled by physicians in charge for which medical need exists in aged and infirm cases and those suffering from incurable disease requiring narcotics to allay pain and prevent collapse. <sup>stop</sup> Addicts not suffering from disease may not be lawfully furnished narcotics by any person merely to satisfy cravings.

X. *[Signature]*

*Patients have right to ~~be given~~ lawful narcotic treatment by their regular physicians. stop. Where bona fide medical need exists as in aged and infirm and incurable disease cases any properly qualified physician including city physician <sup>is</sup> permitted by law to furnish narcotics in minimum quantities to allay pain and prevent collapse stop. Addicts not suffering from disease may not be lawfully furnished narcotics by any person merely to satisfy cravings. Advise by wire whether this ~~is a~~ <sup>is additional instructions needed.</sup>*



Art 104  
7m

~~He will also~~ and as good for use only during the fiscal year in which sold.

~~The collector will also~~

The order forms are issued in books containing 10 forms each. A charge of 10 cents is made for each book. The requisition should be accompanied by remittance of the proper amount. Blank requisition Form 679 may be obtained from the collector. ~~The collector~~ will ~~clearly~~ stamp ~~near~~ by a distinctive color ~~the lower~~ right hand corner of each original and duplicate order form the following inscription "void after June 30, \_\_\_\_\_ (insert here the proper fiscal year). Before issuing the order forms the collector will cause to be shown thereon the name, address, registry number, and class number ~~or~~ numbers of the person to whom they are supplied.



PROHIBITION UNIT  
LEGAL DIVISION

Referred to \_\_\_\_\_

By \_\_\_\_\_

Remarks \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date \_\_\_\_\_

Referred to \_\_\_\_\_

By \_\_\_\_\_

Remarks \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date \_\_\_\_\_

\*224A \_\_\_\_\_



Art 112. Unused forms.

Order forms may not, ~~except~~  
~~as indicated below~~, be  
used after the expiration  
of the period for which  
~~issued~~. June 30 of the  
current fiscal year. Any  
unused forms in the  
possession of any person  
after expiration of the  
current period of registration  
should be forwarded to the  
collector by whom they were  
issued, who will mark them  
"Cancelled". He will thereupon  
be returned to the former  
registrant who will keep  
them on file with the  
used duplicates for two  
years.



PROHIBITION UNIT  
LEGAL DIVISION

Referred to \_\_\_\_\_

By \_\_\_\_\_

Remarks \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date \_\_\_\_\_

Referred to \_\_\_\_\_

By \_\_\_\_\_

Remarks \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date \_\_\_\_\_

\*224A



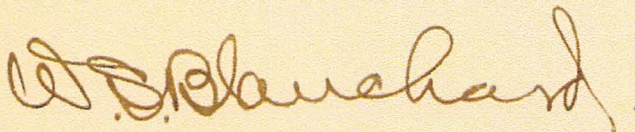
PROHIBITION UNIT  
OFFICE OF  
HEAD, AUDIT & STATISTICS DIVISION

March 7, 1921.

Legal Division,  
Attention of Mr. Valentine.

The attached letter from Agent in Charge, Narcotic Section, Central Department, relative to the matter of order forms, referred to me by Col. Nutt, is referred to you, as it appears to be a matter coming entirely within your jurisdiction.

The suggested plan does not appear to be feasible to me. The case cited of registrant who has been using order forms since 1916, without registering since that year, would seem to indicate that the collector was derelict in his duty, and that he has not followed his Record 10, for the purpose of ascertaining who has not re-registered and requiring such re-registration.



Head, Division of Aud & Stat.

MHL



OFFICE OF THE DIRECTOR,  
NARCOTIC FIELD FORCE,

March 5, 1921.

PRO-FS-WA-1-LGN

MEMORANDUM FOR MR. BLANCHARD:

Attached is a communication from Narcotic Agent  
H. E. Wooters, which is self-explanatory.

I think the suggestions made by him are good  
and, if there are no legal or other objections to the  
proposed plan, it should be adopted. Please let me  
have your views.

A handwritten signature in dark ink, appearing to read "L. G. Hunt". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Director, Narcotic Field Force.

SLH



TREASURY DEPARTMENT February 11, 1921.

Colonel Will Gray Beach,  
Agent in Charge, Narcotic Section,  
Central Department,  
Chicago, Illinois.

I beg to be permitted to call your attention to the following:

In the capacity of a field officer, I quite frequently encounter cases where a physician, druggist, or others, are purchasing narcotics on narcotic order forms during a period for which they are not registered. Invariably the order forms, so used, were shown to have been purchased during a previous period for which the parties were actually registered.

As a typical case of this kind, I refer you to my report under date of February 3, 1921, in re. Dr. C. A. Miller of Macon, 1st. District of Illinois, who purchased 100 order forms in 1916, used same continuously to date, but failed to register since the expiration of the 1916 period. No direct misuse was made of the order forms in this case, but I know of cases where order forms have been grossly misused, under identical circumstances.

To remedy the situation, I would suggest that in the future a limitation be set on the use of order forms, in other words, that every order form, when issued by the Collector, be stamped as follows: "Void after June 30, 1920", or "Dealers must not supply narcotics on this order form after June 30, 1921". If a limitation on the lines suggested is not feasible or cannot be carried into effect on account of some legal technicality, I would suggest that on the new form, a form of affidavit be imprinted where a dealer signs his name, something on this style: "Sam Jones, the person or firm issuing this order take oath that they are, or he is registered in Class 2 under the Harrison Act, and that his or their registration does not expire until June 30, 1921". The latter suggestion would probably not be as good a check as the first, but it would place the person using an order form during an unregistered period in the position of swearing falsely, and naturally when used fraudulently it would be easier to punish the offender under the circumstances.

Respectfully submitted,

Narcotic Agent.





OFFICE OF  
SUPERVISING FEDERAL PROHIBITION AGENT  
CENTRAL DEPARTMENT

"NARCOTIC SECTION"  
TREASURY DEPARTMENT

INTERNAL REVENUE SERVICE

CHICAGO, ILL.

March 1, 1921.

*W. G. B.*

Col. L. G. Nutt,  
Director, Narcotic Field Force,  
Washington, D. C.

I am submitting herewith communication from Dr. H. H. Wouters, Narcotic Agent of this section, in which he makes a suggestion that a limitation be set on the use of order forms.

I am of the opinion that the suggestion made by Dr. Wouters is a good one, and am sending same to you with the thought in mind that you might refer it to the Narcotic Division for consideration.

*Will Gray Beal*  
Agent in Charge, Narcotic Section,  
Central Department.

WGB/LV  
1 Incl.





# TREASURY DEPARTMENT

INTERNAL REVENUE SERVICE

OFFICE OF THE COLLECTOR  
DISTRICT OF MASSACHUSETTS  
IN REPLYING REFER TO  
Pro.-Legal-RCV-N-046

BOSTON, MASS. September 30, 1920.

Commissioner of Internal Revenue,  
Washington, D. C.

RECEIVED  
OCT 7 1920  
PRO-LEGAL-DIV.

Attention of the Federal Prohibition Commissioner

## Pro.- Legal

Reference is made to Department Letter of September 24, 1920, relative to narcotic prescriptions issued by exempt officials.

It appears that under the existing regulations there is no provision requiring a druggist to ascertain whether an exempt official has filed a certificate of exemption from liability to registration and tax under the Harrison Narcotic Law. Article 43 requires exempt officials who have filed satisfactory credentials, and who desire to procure narcotic drugs, to apply to the Collector for a certificate of exemption prior to placing the order with the manufacturer or dealer, but no certificate is necessary where the drugs are prescribed. Article 42 states that each person claiming exemption from liability otherwise incurred on the ground that he is a Government official must file with the Collector of the District in which he is located satisfactory credentials, which credentials must be renewed on or before July 1st of each year, and under the existing Regulations there is no way of determining whether or not all exempt officials have done so, as many of them never have occasion to purchase drugs and preparations coming within the scope of the Harrison Act, and no restrictions are imposed upon the issuing of prescriptions.

As an adequate measure of control this office suggests that registry numbers commencing with number 1 and running consecutively be assigned to exempt officials in the same manner as to registrants in Classes 1, 2, 3, 4 and 5. It is further suggested that the letter "E" for exempt, or the letters "EO" for exempt official, be a part of the registry number, and that registrants in the various classes be instructed not to accept orders or prescriptions from exempt officials calling for narcotic drugs and preparations unless their registry number is indicated thereon.

CHC  
AEW

Page 155

*John J. Munn*  
Collector.





OFFICE OF  
NARCOTIC AGENT IN CHARGE  
MINNEAPOLIS DIVISION

# TREASURY DEPARTMENT

INTERNAL REVENUE SERVICE

MINNEAPOLIS, MINN.

October 9, 1925.

Pro-Nar  
RYM-EO

Col. L. G. Mutt,  
Head, Narcotic Division,  
Washington, D. C.

Sir:

I am in receipt of a communication from Narcotic Inspector A. L. Raithel, enclosing a newspaper clipping taken from a St. Louis paper, in which clipping reference is made to a decision of the United States Court of Appeals recently affirming a conviction and sentence of a Kansas City druggist to two years in a penitentiary for illegal sale of paregoric.

This office has not as yet received a copy of this ruling of the Court of Appeals and if your office has one I would appreciate a copy of same.

Respectfully,

*H. H. Wouters*

H. H. WOUTERS,  
Narcotic Agent in Charge.



Now does that not cover only one kind? Does that exclude all other kinds? It is quite certain Congress never intended that the breaking of a package and selling that a man was a manufacturer.

That narcotic packages in trade must be stamped or must have the pharmacist's label on it. Unless this is done the package is outlawed and can be seized. Every package of narcotics not issued upon a physician's prescription, and I think this label. If he has drugs in his possession they would treat him just like they would a peddler no matter - Retailer would be subject because they did not bear the prescription label, and in getting drugs the druggist puts on the prescription certain information which by regulation we could just as well trace the drugs which is sold out in original package

I can see no reason why we couldn't put a label on the drug showing that it was from an original stamped package on a narcotic blank just the same as a druggist can furnish an individual with the drugs upon prescription.

As I study this law, I understand unless this Department makes some provision to take care of this situation there is no way whereby a pharmacist may dispense and a physician lawfully possess an ordinary solution of cocaine for use in his office, because it cannot be sold in the original stamped package. It can't have the label provided for because that must contain the name and address of the patient, etc. No regulation. There is no legal way that I can see whereby that a physician or a dentist may obtain and possession such solution which he needs in the practice of his profession. It does not seem to me that the sale of five pounds of opium could be taken care of by an order of the Treasury Department, and this at the same time take care of such preparations as solutions, etc., that the physician might want to use in the practice of his profession that this preparation is dispensed upon an official order form and from an original stamped package, but I do think that this matter should be given consideration, unless you have some solution for that.

Mr. Andrews: As I understand it, you are dealing in cocaine. Now you can obtain it upon an order from the pharmacist and what will it have on it that will protect it from seizure? It will have an original stamp. I don't think the retail pharmacist is in a position to stamp it. He would have it on hand all right made up indefinitely the physician writing prescription for the patient but you take into consideration let us pass from the physician to the dentist should be permitted to use the solution of cocaine in each individual case

Mr. Henry: That there is a proper way to do this. A pharmacist has evolved a plan for the preparation of a solution but it does not seem to me unfair that any law should prohibit the proper and legitimate use. Understand me, I am satisfied with all the records that are necessary in the control of this evil, but to do so it seems to me that there could be a plan evolved properly take care of the matter and the physician and dentist could obtain properly prepared solutions for use in their office practice without involving themselves in legal difficulties. A physician or dentist could use an order form and on those order forms he could get from the pharmacist or the wholesaler original stamped packages in order to properly comply with the law and to of course he could do that if he wanted to, provided he could get some other retail dealer's original stamped package and not be registered under the classification as a manufacturer, but these are conditions that are not arising because the pharmacist, the retail pharmacist, for use in the conduct of his business. I have been in the retail business for thirty years. he can only sell it upon the prescription of a physician under the law as it should be done, and I think the Department has provided that when he does manufacture



Mr. Crounse: It was specifically provided in that regulation that the narcotic content shall be indicated.

Mr. Holliday: You state these stamps should not be sold by the buyer to other persons. If so this should be incorporated, and should not be resold to any one.

Article 29 - Cancellation. Leave out the word "rubber" stamp and allow for perforation of stamps.

Mr. Woodruff here brought up the subject of private formulas sent to PD&Co in containers such as specified by the owner of the private formula.

Mr. Crounse suggested that the article relating to drugs taken out of a stamped package and repacked into another container needed clarifying. Repacking of narcotic drugs or preparations covered by the scope of this law. Because the first man who handles these drugs is going to put them into the package in which they finally pass to the retailer. That is to limit duplication. The practice of the trade has got to be changed to the necessity of avoiding duplication.

Mr. Crounse: Now pass over the words "from whom purchased." Has the Bureau modified its tentative ruling the form of record to be kept. When I first brought this matter to the attention of the Bureau I did not attempt to prescribe the form of record to be kept of exempt preparations, but that anything reasonably comprehensive adopted by the trade would be acceptable.

Mr. Holliday: I would just like to ask whether it is the intention of the Department to persist that "from whom purchased" shall be included in the records or not that there is nothing in the law that such records shall be kept of the purchases that the record shall be kept of all sales, exchanges, gifts, and in this regulation we are requiring a record to be kept of the purchases. It probably turns legally on the proper definition of the word "exchange." All sales, exchanges, or gifts. With regard to keeping the narcotic records of transactions in narcotic drugs. Transactions that certainly mean purchases and sales.

Mr. Hilton: Those exempt preparations, paregoric and proprietary preparations, containing the minimum which and these preparations are sold on physician's prescription where the said prescription would contain the name and address of the person receiving the contents, the name of the physician, date prepared desired to be kept of these transactions other than that prescriptions just and my particular case that I will not sell any preparation containing any narcotic drug even in exempt quantities except on a physician's prescription because I feel that I want to get away from that record.

Mr. Henry: And as stated this morning in regard to the inventory of the exempt preparations, the same thing applies to the record to be kept of the purchases, and I trust you will give this due consideration.

Mr. Bevins here brought up the subject of the number of reports that had to be made for the Federal, State, municipal and other governments.

Mr. Woodruff: That we would record what we purchased. We purchase opium, morphine, cocaine and their salts. They are crude materials. Then we got to make a report of any of these materials that had been disposed of that it went into such and such a solution. The matter of monthly reports in our operations - manufacturers of preparations - requires a statistical department - I don't know but what we have 20 clerks working in that statistical department for the purpose of getting out these statistics.



Mr. Holliday: If an order form is not accepted it should be returned to the maker with a letter of explanation. further data which could be very probably furnished by the manufacturer. orders should be sent right back to him once filled in

Mr. Holliday: Under Art. 50 it is suggested that the signature of the individual responsible for the issuance of the order forms must also appear thereon in ink or indelible pencil.

Art. 56 narcotics lost in transit. Mr. Pratt. We have had a lot of trouble with the time of transit. We have had them sidetracked and lost, and I presume Mr. Woodruff. In Philadelphia we waited 16 days for goods to come over from Rahway, New Jersey.

Art. 50. Mr. Crounse: There shouldn't be anything in here to make it necessary to notify to file his formal claim

Mr. Woodruff: To allow thirty days afrom date after the loss has been discovered.

Mr. Gaylord: I think 15 days from date of discovery of loss.

Mr. Holliday: You got to have something definite. The best thing would be thirty days from date of invoice or bill of lading. That ought to cover 99 cases out of a 100.

Mr. Crounse: Notify collector within thirty days from date of bill of lading report shall be made.

Mr. Holliday: Make that 30 days from date of invoice.

Mr. Crounse: The law gives him four months in which to make claim. If you have any authority to cut it down

Mr. Hilton. Under Article 61. Prescriptions Prescribing by exempt officials. I want it clear that there was no authority to officials in their official capacity that would allow them to go outside and prescribe promiscuously for there is no way that they could tell

Mr. Holliday: That they must be registered and if they were registered in another jurisdiction furnish the particular drug but they were entitled to practice in this district.

Mr. Henry: In the first place this requirement for the name and address of the person receiving the preparation any one and I think is subject to criticism on the same ground that we criticised some of the other regulations Very seriously interferes with the conduct of the retail druggists' business in the filling of prescriptions. the other point that you provide as you have always done heretofore in the carrying out of the provisions of the Harrison Narcotic Law, and that is that prescriptions must be signed on the date when issued. Now it seems to me that the weakest point, from the retail pharmacist's standpoint is the Department has always kept guard over the pharmacist in this respect.

Mr. Hilton: The whole thing could be simplified if there was some kind of narcotic prescription that could be written in duplicate and make some provision that will make them say that a prescription must bear the date, the name and address of patient, name and address of physician



Mr. Gaylord: Gentlemen, I guess you all know the purpose of this conference. In revising regulations by which we hope to we are most anxious to have your cooperation and support. It has been Mr. Roper's policy in defising important regulations covering such matters to call into consultation the leading men in the industries affected, and before issuance of the regulations In pursuance of that policy we asked you to come here and discuss these regulations, which are now for the first time reached anything approximating a final state. I will ask you after the conference to to not take the copies of the regulations away with you as we are extremely anxious that nothing that we may say go into any of the trade papers, since as I say they are tentative, and many of the provisions will undoubtedly be differnt in the final draft. Now I will ask Mr. Andrews to read the articles one by one, and when he has finished the reading any one may ask questions or make any suggestions that you please.

Mr. Andrews: Just at this point I want to make a little record so that it will go into our minutes. I want a record made of those present at this meeting, and the particular interest that they represent. We have sent invitations to the representatives of the different associations, and I want to make a record of those who are present.

Mr. Crounse: The term one place of business. Does that mean one town or one establishment? For example, a manufacturer has two establishments in the same town making different classes of goods. If he had for example a place of business where he transacts in some other part of the same town except to manufacture of his commercial transaction being handled at his place of business. Would he have to register at both of these establishments?

Mr. Crounse: Of course you appreciate the fact that a factory is not a unit. It is merely a part of the business, and a part of the place of business, and it is not a place of business at all. Its a place of manufacture.

Mr. Vise: I think there is a statute which pretty well covers this point. This statute is applicable to all special taxes - Section 3235, R. S., which provides that the payment of the special tax imposed shall not exempt the person carrying on a trade or business in any other place as stated in the merely manufacturing for the account of the business which is carried on somewhere else, but nothing herein shall contain a special tax for the storage of goods.

Mr. Bevins: What is the purpose of registry with the Collector in the Second District of New York and telling him that we have a factory over in Brooklyn where our office is. Now it is no information to him. He has no concern with our account to him over there.

Mr. Crounse: Well your records will be incomplete and misleading unless

Mr. Woodruff: We have one plant, but several buildings, covering about four blocks.

Mr. Bevins: My point is that we would registry in the Second District as a wholesaler in Class 2, but we would not register in the First District because we had no business there. Our records show what business we do at 91 Fulton Street. Our manufacturing reports would go in from that point. I take it we must keep certain records and we must make that monthly report



Mr. Hilton: There is one question narcotic habitues will show the percentage of reduction you get a prescription from a physician directing you to refill such and such a prescription he does not remember the quantity that he used before would it be permissible to fill that as the original prescription?

Mr. Henry: tried to avoid the refilling of prescriptions. I would be glad to see it in the regulations.

Mr. Henry: Do I understand in addition to keeping the prescription record of the preparation the dealer must make such notation in his record of exempt preparations?

Mr. Crounse: I think you ought to make the word "sanatoriums" read "Sanitoria" because this has been used in other regulations.

Mr. Henry: Mr. Andrews it seems to me that this provision is a very proper one and it doesn't seem to me that any violence would be done to the law or the purposes of the Act, nor to these regulations if this regulation is amended

Relative to stock solutions might be purchased from the druggist already made into solutions and record could be kept of the date when purchased and when solution was exhausted.

Mr. Hilton: Allow him to obtain that on an order form and not on a prescription.

Insert this: or purchased upon an order form for legitimate office practice not exceeding one ounce.

Mr. Hilton: Actual legitimate use to meet an emergency when it arrives.

Mr. Hilton: is it necessary when they are already registered?

Mr. Gaylord: I don't see any use in making them register again.

Mr. Woodruff: One minute Mr. Andrews if you please. This record must show the name and address of the person from whom purchased, to whom the preparation or remedy is sold, if such person is the customer there-consumer thereof, or the name and address, registry number too if the sale is made to a registered person.

Mr. Woodruff: I think some provision should be made with respect to short-paid packages going out weight of tablets now you take a box of 100 tablets and the only way you can get the weight is from the sample lot of tablets. Take a bottle of 500 and ascertain the weight of that particular lot of tablets the next lot may vary a trifle, and the stamp based on the first experiment may be short-paid.



KNOOP v. STATE BOARD OF HEALTH.

(No. 285).

(Supreme Court of Rhode Island.

June 13, 1918.)

1. Physicians and Surgeons. 11(2) - Prescribing Drugs -  
Unprofessional conduct.

Where a physician prescribed drugs for addicts to their use for the mere purpose of enabling them to conduct their usual occupation, he was guilty of unprofessional and illegal conduct.

2. Physicians and Surgeons. 11(3) - Prescribing Drugs -  
Unprofessional conduct, - Revocation of License, - Evidence.

Evidence held to warrant the revocation of physician's license to practice on account of his prescribing morphine and other drugs for the use of addicts to their use.

Appeal from State Board of Health.

Proceeding for the revocation of the license of William T. Knoop to practice medicine. From the decision of the State Board of Health revoking his license, respondent appeals. Affirmed.

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(1) This particular testimony requires no extended comment. Such treatment for such an avowed purpose is illegal and unprofessional. One of the objects of the statute (chapter 178 of the Gen. Laws, 1909) is to prevent drug addicts from securing the desired drug, and thereby enabling them to continue the drug habit. The Legislature recognized the necessity of making some provision for these unfortunate people and in a proper case the law permitted physicians to prescribe morphine, etc. Such treatment, however, must be in accordance with the recognized practice of medicine, the object of which, in cases wherever it is possible, is to effect a cure.

(2) The procedure followed by the appellant neither cured the patient nor was it adapted to cure him. So long as the patient was able to procure his supply of the drug he would remain a drug addict. The treatment of the appellant was directed principally with the purpose of securing the fees which his patients paid to him in order to secure the desired prescription, and the conclusion from the testimony is irresistible that whatever reductions were made in the amount of the drug prescribed were due to a desire on the part of the appellant to escape a prosecution for violation of the law than to any expectation on his part of effecting a cure of said patients or of securing for his patients any permanent benefit.

We are of the opinion that the appellant has been guilty of gross unprofessional conduct and of conduct making him an unfit



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person to practice medicine in this State.

The finding of the State Board of Health revoking the certificate of appellant authorizing him to practice medicine and surgery in this State is affirmed.



KNOOP v. STATE BOARD OF HEALTH.

(No. 285).

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904.

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KNOOP v. STATE BOARD OF HEALTH.

(No. 285).

(Supreme Court of Rhode Island.

June 15, 1918.)

1. Physicians and Surgeons. 11(2) - Prescribing Drugs - Unprofessional conduct.

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2. Physicians and Surgeons. 11(3) - Prescribing Drugs - Unprofessional conduct, - Revocation of License, - Evidence.

Evidence held to warrant the revocation of physician's license to practice on account of his prescribing morphine and other drugs for the use of addicts to their use.

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We are of the opinion that the appellant has been guilty of gross unprofessional conduct and of conduct making him an unfit



person to practice medicine in this State.

The finding of the State Board of Health revoking the certificate of appellant authorizing him to practice medicine and surgery in this State is affirmed.



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Pro-Legal  
RCV-73C-0615

Mr. Paul D. Keller,  
Supervising Federal Prohibition Agent,  
Minneapolis, Minnesota.

Receipt is acknowledged of your letter of June 23th, stating that the United States Attorney has consented to prosecute physicians who are narcotic addicts on the charge of obtaining narcotics on official order forms for a purpose not connected with the legitimate practice of the medical profession.

You are advised no case where a physician has been convicted after trial on a charge relating to the consuming of narcotics by him for addiction has been reported to this office, but this office believes the conviction of such a physician under the Harrison Narcotic Act is obtainable, and would be well worth the effort, considering the probability that such a conviction would have a deterrent effect on an extensive class of persons who abuse the privilege of their profession by obtaining narcotics ostensibly to be used as medicine in legitimate practice and divert same to other than medical uses.

It seems advisable, however, to call your attention to a recent decision of the District Judge for the State of Montana, in the case against Dr. W. B. Parsons, to the effect that an indictment charging a physician with procuring narcotics on official order forms for a purpose other than legitimately connected with the practice of medicine was subject to demurrer, on the ground that the provision of the Narcotic Act on which the charge was based had no relation to the revenue. Notwithstanding the Supreme Court decisions in the Doremus and Webb & Goldbaum cases upholding the constitutionality of the Act, and the decisions of Circuit Courts of Appeal in such cases as those against Reeves, 265 F. 690, Bascom C. Thompson, T.D. 2897, and Doremus, April advance sheets of the Federal Reporter, in all of which cases the moral aspects of the Act are upheld, the Judge in question is openly unfriendly toward the Act because he believes the matter so far as it concerns



the preserving of the morals of the people should be controlled by State legislation. This office is hopeful that the decision in the Dr. Parsons case will not be considered in other jurisdictions except with full knowledge of the attitude of the Montana Judge in respect to the Narcotic Act in general. In this connection attention is invited to extracts from a letter addressed to the United States Attorney, Helena, Montana, regarding the Dr. Parsons case.

You will also note from the enclosed copy of the decision of the Circuit Court of Appeals for the Seventh Circuit, October term of 1917, a holding by that Court in the case against Dr. Arthur L. Blunt to the effect that no question of tax or revenue or the protection or security thereof was involved in the provision against the obtaining of narcotics for non-medical purposes. Such holding, however, appears to be contrary to the views of the Supreme Court as expressed in the decision in the C.T. Doremus case, which was rendered over a year after the Blunt decision. In the Doremus case, the Supreme Court had under consideration, among other things, section 2 of the Act, and in connection therewith specifically stated as follows: "It is made unlawful for any person to obtain the drugs by means of the order forms for any purpose other than the use, sale or distribution thereof by him in the conduct of a lawful business in said drugs, or the legitimate practice of his profession". The Court said as to section 2:

"The provisions of section 2, to which we have referred, aim to confine sales to registered dealers and to those dispensing the drugs as physicians, and to those who come to dealers with legitimate prescriptions of physicians. Congress, with full power over the subject, short of arbitrary and unreasonable action which is not to be assumed, inserted these provisions in an act specifically providing for the raising of revenue. Considered of themselves, we think they tend to keep the traffic aboveboard and subject to inspection by those authorized to collect the revenue. This case well illustrates the possibility which may have induced Congress to insert the provisions limiting sales to registered dealers and requiring patients to obtain these drugs as a medicine from physicians or upon regular prescriptions. Meris, being as the indictment charges an addict, may not have used this great number of doses for himself. He might sell some to others without paying the tax, at least Congress may have deemed it wise to prevent such possible dealings because of their effect upon the collection of the revenue."

This office believes it would be consistent with the above views to hold that a physician who is an addict might be subject to becoming influenced by other addicts to give them some of his supply for addiction (addicts can generally be readily induced



Statement showing sections of the Harrison Narcotic Act violated in the commission of certain specified offenses.

Failure of dealer to preserve original order forms on which he sold narcotics. Section 2: "Every person who shall accept any such order, and in pursuance thereof shall sell, barter, exchange, or give away any of the aforesaid drugs, shall preserve such order for a period of two years in such a way as to be readily accessible to inspection by any officer, agent, or employee of the Treasury Department duly authorized for that purpose, x x".

Failure of physician, dentist or dealer to make and preserve duplicates for two years of official order forms on which they bought narcotics. Section 2: "Every person who shall give an order as herein provided to any other person for any of the aforesaid drugs shall, at or before the time of giving such order, make or cause to be made a duplicate thereof on a form to be issued in blank for that purpose by the Commissioner of Internal Revenue, and in case of the acceptance of such order, shall preserve such duplicate for said period of two years in such a way as to be readily accessible to inspection x x".

Obtaining by physician or dealer of narcotics for purposes not permissible under the Act of December 17, 1914: Section 2, (d): "It shall be unlawful for any person to obtain by means of said order forms any of the aforesaid drugs for any purpose other than the use, sale, or distribution thereof by him in the conduct of a lawful business in said drugs or in the legitimate practice of his profession." (However, this paragraph has been

held unconstitutional by U.S. Circuit Court of Appeals, A.L. Blunt case. Sale of narcotics by dealer on forged order form: Section 2:

"That it shall be unlawful for any person to sell, barter, exchange, or give away any of the aforesaid drugs except in pursuance of a written order of the person to whom such article is sold, bartered, exchanged, or given, on a form to be issued in blank for that purpose by the Commissioner of Internal Revenue." (Such an order form loses its characteristic as official when presented by any person except the person whose name the Collector had caused to be written on said form. Section 2, (d): "Whenever any Collector shall sell any of such forms, he shall cause the name of the purchaser thereof to be plainly written or stamped thereon before delivering the same; and no person other than such purchaser shall use any of said forms bearing the name of such purchaser for the purpose of procuring any of the aforesaid drugs or furnish any of the forms bearing the name of such purchaser to any person with intent thereby to procure the shipment or delivery of any of the aforesaid drugs."

Purchase of narcotics by a person upon an order form which he has forged: Section 2, (d): "x x and no person other than such purchaser shall use any of said forms bearing the name of such



purchaser for the purpose of procuring any of the aforesaid drugs or furnish any of the forms bearing the name of such purchaser to any person with intent thereby to procure the shipment or delivery of any of the aforesaid drugs." Section 3451 R. S.

False statement under oath in making application to the Collector of Internal Revenue for registration under the Narcotic Act. Section 38 of the Criminal Code.

Purchase by physician of narcotics for his office practice on prescriptions instead of on order forms and sale by druggist under such circumstances. Section 37 of the Criminal Code.- Conspiring to defraud the United States of revenue, the use of prescriptions in such cases having deprived the Government of the revenue which would have been obtained had the official order forms, which are a source of revenue, been used.

Sale by druggist to physician of narcotics for his office practice on prescriptions instead of requiring order forms. Section 2: "That it shall be unlawful for any person to sell, barter, exchange, or give away any of the aforesaid drugs except in pursuance of a written order of the person to whom such article is sold, bartered, exchanged, or given, on a form to be issued in blank for that purpose by the Commissioner of Internal Revenue.

Issuance of prescriptions by physician not in the course of his professional practice only. Issuance of prescriptions by physicians to addicts for the purpose of satisfying their appetites for narcotics. Issuance of prescriptions by physicians to addicts in large amounts, thus showing lack of proper regulation of the dosage and bellying any claim which the physician might make that he was treating the addict for the cure by the reduction method. (While there may be cases where a physician may be able to prove he acted in good faith in attempting cure of addiction by the reduction dosage, ambulatory method, it is such a well known fact that an addict has small chances of being cured of addiction unless confined, as to raise a strong presumption against such a physician that he was acting in bad faith, and therefore not in the course of his professional practice only.) Issuance of prescriptions by physicians to addicts merely for the purpose of providing the addict with narcotics sufficient to keep him comfortable by maintaining his customary use. Section 2: "That it shall be unlawful for any person to sell, barter, exchange or give away any of the aforesaid drugs except in pursuance of a written order of the person to whom such article is sold, bartered, exchanged, or given, on a form to be issued in blank for that purpose by the Commissioner of Internal Revenue." (Note sample indictment next attached, from which it will be observed Jim Huey Moy was charged with "dispensing" a prescription for narcotics. The question of the sufficiency of this indictment is now before the United States Supreme Court. It is the contention of the Government that a physician in issuing a prescription "dispenses" within the meaning of the Act. The indictment is valid until and unless the United States Supreme Court rules otherwise.



Filling by dealer of narcotic prescriptions issued by physician not in the course of his professional practice only. Filling by dealer of narcotic prescriptions issued by physician to addicts for the purpose of satisfying their appetites for narcotics. Filling by dealer of narcotic prescriptions calling for large or unusual amounts for addicts, thus showing on their face that the physician is showing bad faith by failing to regulate the dosage, and believing any claim which the physician might make that he was making a good faith attempt to cure the addict by the reduction ambulatory method. Section 2: "That it shall be unlawful for any person to sell, barter, exchange, or give away any of the aforesaid drugs except in pursuance of a written order of the person to whom such article is sold, bartered, exchanged, or given, on a form to be issued in blank for that purpose by the Commissioner of Internal Revenue. The dealer in such case can not successfully set up the claim of coming within the exception of 2(a) or 2(b), because of the decision of the United States Supreme Court in the case against Webb & Goldbaum that an order purporting to be a prescription issued to an addict or habitual user of narcotics, not in the course of professional treatment in an attempted cure of the habit, but for the purpose of providing the user with narcotics sufficient to keep him comfortable by maintaining his customary use is not a prescription within the meaning and intent of the act. The Webb & Goldbaum case, involving violation of section 37 of the Criminal Code, does not appear to violate the Harrison Narcotic Act, Webb being a physician and Goldbaum a druggist, and it having been agreed and understood between them that Goldbaum should, by using order forms, procure a stock of morphine, which morphine he should and would sell to those who desired to purchase and who came provided with Webb's so-called prescriptions. It was the intent of Webb and Goldbaum that morphine should thus be furnished to the habitual users thereof by Goldbaum and without any physician's prescription issued in the course of a good faith attempt to cure the morphine habit. Whenever it appears the illegitimate prescriptions of a certain physician are habitually filled by a particular druggist, careful investigation should be made in order to ascertain whether conspiracy charges under section 37 of the Criminal Code would be warranted.

Sale of narcotics by a physician to an addict not in the course of his professional practice. Section 1: For engaging in business as a dealer in narcotics without registering and paying special tax therefor. (Note: Physician's tax as a practitioner would not cover his sales made as a dealer, his practitioner's tax covering only sales, dispensings, etc. "in the course of his professional practice only.

Failure of physician to make and keep for two years a record of narcotics dispensed, (including "prescribed") or distributed to a patient in the course of his professional practice only. Section 2(a), - "That it shall be unlawful for any person to sell, barter, exchange, or give away any of the aforesaid drugs except in pursuance of a written order of the person to whom such article is sold, bartered, exchanged,



or given, on a form to be issued in blank for that purpose by the Commissioner of Internal Revenue. x x x Nothing contained in this section shall apply (a) To the dispensing or distribution of any of the aforesaid drugs to a patient by a physician, dentist, or veterinary surgeon registered under this Act in the course of his professional practice only: Provided, That such physician, dentist, or veterinary surgeon shall keep a record of all such drugs dispensed or distributed, showing the amount dispensed or distributed, the date, and the name and address of the patient to whom such drugs are dispensed or distributed, except such as may be dispensed or distributed to a patient upon whom such physician, dentist or veterinary surgeon shall personally attend; and such record shall be kept for a period of two years from the date of dispensing or distributing such drugs, subject to inspection, as provided in this Act.

Failure of dealer to keep for two years a record of narcotics sold: Section 2 (b): That it shall be unlawful for any person to sell, barter, exchange, or give away any of the aforesaid drugs except in pursuance of a written order of the person to whom such article is sold, bartered, exchanged, or given, on a form to be issued in blank for that purpose by the Commissioner of Internal Revenue. Every person who shall accept any such order, and in pursuance thereof shall sell, barter, exchange, or give away any of the aforesaid drugs, shall preserve such order for a period of two years in such a way as to be readily accessible to inspection by any officer, agent, or employee of the Treasury Department duly authorized for that purpose. x x x Nothing contained in this section shall apply (b) To the sale, dispensing, or distribution of any of the aforesaid drugs by a dealer to a consumer under and in pursuance of a written prescription issued by a physician, dentist, or veterinary surgeon registered under the Act: Provided, however, That such prescription shall be dated as of the day on which signed and shall be signed by the physician, dentist, or veterinary surgeon who shall have issued the same; And Provided Further, That such dealer shall preserve such prescription for a period of two years from the day on which such prescription is filled in such a way as to be readily accessible to inspection by the officers, agents, employees, and officials heretofore mentioned.

Possession of unstamped narcotics. Section 1, paragraph 12. (In one case of an illegal possession of unstamped narcotic drugs the trial judge ruled that the possession of any narcotic drugs coming within the purview of the Harrison Narcotic Law, and being unstamped is prima-facie evidence of having said drugs for the purpose of sale or distribution and the burden of proof is on the defendant to show that the drug so possessed was not intended for sale or distribution.

by unregistered person of narcotics not in the original stamped package or from the original stamped package. Section 1, paragraph 12.

Forging of physician's prescription for narcotics. Section 3451, R.S. (U.S. Attorney at Cleveland, Ohio, for a number of years has been charging those forging prescriptions for narcotics with violation of



that section and the indictments have been uniformly upheld.

Sales of paregoric for purposes of addiction. Section 6.

Failure of dealer to keep record of sales of paregoric. Section 6.

It is believed the above comprise most of the usual violations of the Narcotic Law. As some of the charges mentioned would not be held to constitute a good cause of action in some District or Circuit Courts, the officers in bringing charges should not do so without ascertaining from the United States Attorney in the particular District or Circuit where they are located just what the law has been held to be in that particular place on the subject under consideration. For instance, some Courts have held that the physician who merely issues prescriptions can not be reached by the law.

The above charges are based, it is believed, on direct violations of the Act. No practical good would be accomplished by setting forth here the violations of the regulations, they being set forth fully in Regulations 35. These regulations have been prescribed by virtue of authority contained in section 1, to the effect that the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall make all needful rules and regulations for carrying the provisions of the Act into effect. The regulations, of course, have the force of law except such regulations, if any there be, which are not in accordance with the specific terms of the Act of which are not based on the Act.

The Act and its different phases is constantly under consideration by the many District Courts and higher Courts in the country, in order that such Courts may each ascertain to his own satisfaction just what the law is. If the above conveys a pretty general idea of the niceties of the law, it will accomplish all that can be expected of it. Mr. Valentine and I, however, will be always ready with discuss specific cases with you wherever there is any doubt about the charges that should be filed against an offender. If there is anything hazy about the above which we might be able to make a little plainer, we will be glad to do so. As is the case with all lawyers and so-called lawyers, our quest in search of the law has not yet been completed.

Respectfully,



*Copy* *val*  
MEMORANDUM.

April 25, 1919.

L-180983

HENRY WILLSMAN (big Henry) Violation of Harrison Narcotic Act.

St. Louis, Missouri.

Willsman, a notorious violator of the Harrison Act was indicted at St. Louis on October 11, 1918. The indictment contained two counts. The first count charged conspiracy between Willsman and other co-defendants; the second charged a specific sale of morphine and cocaine.

The U. S. Attorney in letter of Dec. 26, 1918, advised that it was doubtful whether defendant Willsman could be convicted on the charge of conspiracy but that he anticipated no difficulty in proving the sale of the drugs to the inspectors. He stated that he had been informed that defendant's attorneys would endeavor to secure an acquittal on the ground that the sale was induced by Government agents contrary to public policy, and expressed the opinion that it would be important to show as a basis for the inspectors' visit, that they had reason to suspect and believe that Willsman was violating the law, but that he was doubtful whether such evidence would be admissible.

He was advised as follows:

"The particular rule with respect to the admissibility of evidence in the case of a prohibited or licensed business is stated in Cyc. Vol. 12, page 411, as follows:

"Where carrying on a particular business is absolutely forbidden, or a license is required, by statute, and the accused is tried for a violation thereof, it may be shown that at other times than that charged in the indictment he violated the law. Such evidence of other crimes is relevant to show his system of doing business and the intent present in the act with which he is charged."

"Reference is also made to the decision of the Circuit Court of Appeals for the Eighth Circuit, which of course includes your district, in the case of Schultz v. U. S. 200 Fed. 234, involving the charge of uttering a raised silver certificate. In that case the Court held



that evidence that the defendant had attempted to pass a similar bill was admissible to show fraudulent intent; and laid down the general rule that "if intent, motive, knowledge, or design be one of the elements of the crime charged, and especially if it is claimed that the crime was committed in accordance with a system, plan, or scheme, evidence of other like conduct by the defendant at or near the time charged is admissible."

"It was held by the Circuit Court of Appeals for the same Circuit, in the case of Hoss v. U. S., 232 Fed. 328, involving the fraudulent use of cashier's checks, that evidence of other drafts and transactions between the parties to the scheme, occurring about the same time, was admissible as disclosing defendants intent with respect to the transaction under inquiry; all the occurrences being related.

"It was again held by the Circuit Court of Appeals for the 8th Circuit in the case of Samuels v. U. S. 232 Fed. 536, involving the fraudulent use of the mails that evidence of offenses similar to those charged in the indictment, was admissible on the question of fraudulent intent, especially when committed continuously and for a long period of time.

"It is therefore concluded that evidence of prior sales of narcotic drugs by defendant would be admissible, if introduced solely for the purpose of disproving the theory of inducement, by showing that Willsman was carrying on a traffic in such drugs."



October Term, 1916. January Session, 1917.

1. As to each of the counts in the indictment it is contended that because it is not alleged that Davis had his office or residence in the first internal revenue district of Illinois, and the allegation of his non-registry and non-payment of the tax is only as to said first district, the indictment does not sufficiently allege Davis' non-registry and non-payment of the tax. The argument is that for anything to the contrary appearing in the indictment, Davis might have been registered in some other district, and would therefore have had the right under the act, to handle the drugs within the first district of Illinois without registering with, or paying the tax to, the collector of internal revenue therein.

Does registry and payment of the tax in one internal revenue district of the United States entitle the registered person under such registry alone to handle the drugs in all other revenue districts in the United States as he may do in the district of his registry?

Page 179



by the use of the words "place" or "places." But the act does not provide that his place of business, i. e., his office or residence, shall be the place where he is required to register. It prescribes in effect that he shall state his place of business (so defined to be his office or residence) by way of information, doubtless for the more certain identification of the applicant for registry and to facilitate official supervision, and tracing of the drugs. For instance, if his office, (his place of business if any, and if none, his residence) is in New York, unless he intends to carry on the business in New York he need not register there; but if he desires to carry on the business of selling the drugs in the first district of Illinois, he must register in the first district, and when registering there he registers his place of business as New York, and will then further register the place or places wherein he expects to transact business in Chicago, and in such other places, if any, in which he intends to handle the drugs. But so registering these facts in the first district of Illinois does not entitle him to deal in such drugs in the various places other than said first district, which he may thus enumerate. In order to make sales in any of the other districts which may be so enumerated, the applicant must there register and pay his tax in such district wholly regardless of whether within any district in which he registers he actually has an office or residence. If therefore without registering and paying tax in the first district of Illinois Davis therein actually dealt in, sold or gave away the drugs, he was carrying on such business in said first district contrary to the provisions of the act, even though he might have registered and paid tax in some other district. It follows that with respect to the allegations of non-registry and non-payment of the tax, the indictment is sufficient.



IN THE  
UNITED STATES CIRCUIT COURT OF APPEALS  
FOR THE SEVENTH CIRCUIT.

October Term, 1916, January Session, 1917.

Opinion by Alschuler, Cir. J.

1. As to each of the counts in the indictment it is contended that because it is not alleged that Davis had his office or residence in the first internal revenue district of Illinois, and the allegation of his non-registry and non-payment of the tax is only as to said first district, the indictment does not sufficiently allege Davis' non-registry and non-payment of the tax. The argument is that for anything to the contrary appearing in the indictment, Davis might have been registered in some other district, and would therefore have had the right under the act, to handle the drugs within the first district of Illinois without registering with, or paying the tax to, the collector of internal revenue therein.

Does registry and payment of the tax in one internal revenue district of the United States entitle the registered person under such registry alone to handle the drugs in all other revenue districts in the United States as he may do in the district of his registry?

Sec. 1 requires a person proposing to handle the drugs to register "with the collector of internal revenue of the district his name or style, place of business, and place or places where such business is to be carried on," and it defines the place of business to be "the office, or if none, then the residence" of the person. Distinction is thus made in the act between the "place of business" and the "place where such business is to be carried on." The act defines the first in prescribing that it shall be considered the office, if any, and if none, then the residence of the applicant for registry. But evidently the place where the business is to be carried on may be anywhere in the United States, and may be more than one place, as indicated



by the use of the words "place" or "places." But the act does not provide that his place or business, i. e., his office or residence, shall be the place where he is required to register. It prescribes in effect that he shall state his place or business (so defined to be his office or residence) by way or information, doubtless for the more certain identification of the applicant for registry and to facilitate official supervision, and tracing of the drugs. For instance, if his office, (his place of business if any, and if none, his residence) is in New York, unless he intends to carry on the business in New York he need not register there; but if he desires to carry on the business or selling the drugs in the first district of Illinois, he must register in the first district, and when registering there he registers his place of business as New York, and will then further register the place or places wherein he expects to transact business in Chicago, and in such other places, if any, in which he intends to handle the drugs. But so registering these facts in the first district of Illinois does not entitle him to deal in such drugs in the various places other than said first district, which he may thus enumerate. In order to make sales in any or the other districts which may be so enumerated, the applicant must there register and pay his tax in such district wholly regardless of whether within any district in which he registers he actually has an office or residence. If therefore without registering and paying tax in the first district of Illinois Davis therein actually dealt in, sold or gave away the drugs, he was carrying on such business in said first district contrary to the provisions of the act, even though he might have registered and paid tax in some other district. It follows that with respect to the allegations of non-registry and non-payment of the tax, the indictment is sufficient.



*Val*

A Presentment from the Federal Grand Jury June Term 1921.

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The Federal Grand Jury for the June Term sworn in by Judge Knox presiding over the Criminal Branch of the United States Court for the southern District of New York have been confronted with a large number of violations of the Harrison Act relating to the illicit selling and handling of narcotics.

Coincident with our investigations we discovered that the New York City and New York State Departments usually invested with the authority to control and supervise the handling of narcotics, have both practically suspended their functions, and have gone on record to the effect that they have no jurisdiction nor have they any law that makes it possible for them to stem the tide of this approaching menace.

All responsibility therefore and all control has been turned over to the Federal Government, and all violations must hereafter be prosecuted under the Harrison Act.

In considering several specific violations of importance, particularly as they were directed against a member of the medical profession, and a pharmacist, the Grand Jury, in addition to hearing the testimony of medical authorities, looked for guidance in other directions, in order that their findings should be strictly in conformity with the law and the facts.

With this in view, the Foreman of the Grand Jury was empowered to interview the Commissioner of the Department of Health of the City of New York, Dr. Royal C. Copeland, and obtain a written opinion regarding the control of Narcotic Traffic.

The Grand Jury herewith inserts Dr. Copeland's letter.

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June 24, 1921.

Mr. Louis M. Greeman,  
Foreman, Federal Grand Jury,  
New York City.

My dear Mr. Greeman:-

You have asked my opinion regarding  
the control of the opium traffic.

I am frank to say that my three years' experience in the opium business convinces me that regulation in the ordinary sense is useless. We have to contend with a dreadful traffic, undermining the public morals, the public health and the stability of government. I am attempting to impress upon friends of mine in Congress the importance of Federal action to end this evil. Last year we imported into the United States 640,000 pounds of crude opium. This is about fifty grains for every man, woman and child in the United States, per capita. In other words, we are using fifteen or sixteen times as much opium as any other country. Our doctors are just as clever and are making no more use of opium than are the doctors of other countries. We must be forced to the opinion that this deadly drug is being used for unlawful purposes.

It is my opinion that our Government, through the United States Public Health Service perhaps, should arbitrarily fix the amount of opium to be brought into the United States. Offhand, I should say this would be about 25,000 pounds. This should be manufactured into morphine under the direction of the Government and dispensed through drug stores, exactly as whiskey is now dispensed on prescription of honorable physicians. This would insure an abundant supply of opium and its derivatives for the legitimate uses of the medical profession.

It is my opinion that exportation of opium and its derivatives from the United States should be absolutely prohibited. This is not an opium country, and we are under no obligation to supply other nations with this drug. The opium exported from the United States is smuggled back across our borders and sold clandestinely to our boys and girls, or else it is shipped to Japan. Not a grain is permitted to be used by the Japanese people, but it is sent by the merchants there either to China, Mexico, or back to the United States.



Let us end this miserable business by dealing with it at the source.

I have become discouraged as I have said, in the efforts undertaken to relieve this community of the evil effects of drugs. Through the Health Department we have treated at our clinics ten thousand addicts and have sent three thousand through our hospital, at Riverside. Hundreds of these have returned to useful lives, but others have gone back to the drug because it can be obtained clandestinely on the streets. There is nothing mysterious about the treatment of drug addiction. Any person can be taken off the drug in a week or ten days without pain but the trouble is the patient does not receive a moral regeneration. When he suffers disaster or physical disability, he goes back to the drug. This would not be the case if every grain was under the control of our Government as it could be under the simple regulations now in force as regards whiskey.

I thank Heaven that you and your colleagues have gone about this matter so earnestly. I believe you have been providentially placed in a position where you can render society not only in New York, but throughout the country, an invaluable service.

Very truly yours,  
(Signed) Royal C. Copeland, M.D.

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After attending a meeting in the office of the Commissioner of the Department of Health, the Federal Grand Jury, have acquired such information, as to make it imperative, in their opinion to recommend some immediate action on the part of the Federal Authorities to meet this serious situation.

Therefore after mature deliberation the Grand Jury has passed a resolution, accepting Dr. Copeland's letter in its entirety as a basis for a recommendation, and respectfully requesting Judge Knox to submit the same to the proper authorities, so that an Emergency bill, or some other measure may be promptly enacted, to control this menacing situation.

Respectfully submitted,

Louis W. Greeman,  
Foreman Federal Grand Jury.



TREASURY DEPARTMENT  
BUREAU OF INTERNAL REVENUE  
Office of Federal Prohibition Commissioner  
Washington, D.C.

June 23, 1920.

TO HEADS AND ASSISTANT HEADS OF DIVISIONS  
AND EMPLOYEES OF THE PROHIBITION UNIT:

Whenever an official or employee of the Prohibition Unit, in his study of the operation of the present law, concludes that any section or feature of the law should be amended, and arrives at a clear opinion as to the exact amendment desirable, it is requested that such official or employee draft a memorandum, setting forth the exact language, and stating clearly and concisely, his reasons for believing the amendment desirable.

He will forward this memorandum to the Counsel of the Unit, Mr. VanBuren, who will preserve in a separate file, all such suggestions for amendments of the law.

JOHN F. KRAMER  
Prohibition Commissioner.



Amend Sec 6 so do to

require manufacturer's record  
of drugs entering into sampled  
preparations.





TREASURY DEPARTMENT

WASHINGTON

OFFICE OF  
COMMISSIONER OF INTERNAL REVENUE  
IN REPLYING REFER TO

Collector District,

Sir:

Referring to your letter of  
inclosing the written explanation of

located at

for alleged violation of

and to your recommendation in the above-mentioned case, from  
which it appears there has been violation  
of the provisions of the Act of and  
regulations thereunder, you are directed to

A copy of this letter has been furnished the Revenue  
Agent.

Respectfully,

Commissioner.



suggested change in Sec 6.

Under Sec. 6 synthetic substitutes  
are not exempt unless adapted to  
external use.





OFFICE OF  
COMMISSIONER OF INTERNAL REVENUE  
IN REPLYING REFER TO

CALLING FOR REPORT OF STATUS OF CASE

## TREASURY DEPARTMENT

WASHINGTON

-----  
~~Collector~~ District,  
-----

Sir:

Please advise this office the present status of the  
case reported against

by the Revenue Agent on for violation of  
the provisions of the Act of

Respectfully,

Deputy Commissioner.



C O P Y

In this connection your attention, and that of the United States Attorney, is invited to the recent ruling of the United States District Court of Columbus, Ohio, in the case of Lee Besse, who was charged with violation of the Act of September 17, 1914, as amended. Besse expressed a desire to enter a plea of guilty to the count of the indictment charging possession of unstamped packages of narcotics. Judge Sater refused to entertain the plea and then gave the following ruling:

"The possession of any narcotic drugs coming within the purview of the Harrison law, and being unstamped is prima-facie evidence of having said drugs for the purpose of sale or distribution and the burden of proof is on the defendant to show that the drug so possessed was not intended for sale and distribution. The law makes provision whereby any person, requiring the drug for any legitimate medical use can obtain same from a physician by prescription and that drugs so obtained can be properly labeled and marked as required by law."



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In this connection your attention, and that of the United States Attorney, is invited to the recent ruling of the United States District Court of Columbus, Ohio, in the case of Lee Besse, who was charged with violation of the Act of December 17, 1914, as amended. Besse expressed a desire to enter a plea of guilty to the count of the indictment charging possession of unstamped packages of narcotics. Judge Sater refused to entertain the plea and then gave the following ruling:

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TREASURY DEPARTMENT  
COPY

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The law makes provision whereby any person, requiring the drug for any legitimate medical use can obtain same from a physician by prescription and that drugs so obtained can be properly labeled and marked as required by law."





OFFICE OF  
COMMISSIONER OF INTERNAL REVENUE

ADDRESS REPLY TO  
COMMISSIONER OF INTERNAL REVENUE  
AND REFER TO

## TREASURY DEPARTMENT

WASHINGTON

December 31, 1918.

Deputy Commissioner Keith:

There is herewith transmitted for your consideration memorandum prepared this day by Dr. Rhees submitting his views as to the scope of the Amendment to the Harrison Narcotic Law in the pending revenue bill as passed by the Senate.

Will you please let me know to what extent you approve the views set forth by him?

JTD.

*B. W. Andrews*  
Head, Miscellaneous Division.



December 31, 1918.

Mr. Leith, through Mr. Andrews:

Please inform me whether my conception of the scope of the amendment to the Harrison Law, as given below is correct, in order that I may work on revised regulations:

1. That within 30 days after the passage of the bill every person registered on January 1, 1919, must pay the proportionate part of the tax for the period ending June 30, 1919. That is, no matter when the bill passes and is made a law, a person already registered and who has paid the \$1, has 30 days to pay the difference in the rate of tax, but must pay for the full time from January 1, 1919. For instance: A druggist now pays \$1. If the bill passes in January he must pay, if he is a wholesale dealer, \$11.50; if a retail dealer, \$2.50: If it is a physician, he must pay \$1.00.

Every person who registers between January 1, 1919, and the date of the passage of the act must pay the proportionate amount of tax due. That is: The act passes on February 15th a wholesale dealer registers on February 12th (new registrant). He will have to pay the tax for the months of Feb. to June, or at the rate of \$2 a month, or \$10, but he too has 30 days within which to pay that amount. *no July 1/1919*

Every person who registers after the passage of the act pays the tax for the number of months left in the fiscal year including the month in which he registers. For instance: A wholesale dealer registers on April 2nd (the act passed Feb. 15) he must pay at the rate of \$2 for each month left in the fiscal year, three months, or \$6, but this must be paid at time of registry, no extension of time within which to pay it. *July 1/1919*

2. The Collector must furnish each taxpayer now registered a blank Form 678, and a blank form of inventory, Form 713, and also a copy of the amendment, directing the registered person to indicate on Form 678 which business or class of business he is engaged in, and remit to the Collector the amount of tax due, leaving it to the taxpayer to decide what class or classes he comes within, or shall he furnish the Collector a statement of what his business consists of and then the collector assess him for the amount the collector decides is proper? *OK yes the amount should be assessed*

Will a manufacturer be required to pay a tax as a manufacturer of \$24, a tax as a wholesale dealer of \$12, and a tax of \$6 if he sells at retail, each business being conducted at the same location or establishment, and being a distinct one as defined in the act? *only as per W.R.D.*



How will a druggist pay tax, who, classed as a retail dealer also manufactures some of his own preparations, such as cough remedies, etc. Must he pay a manufacturer's tax in addition to a retail dealer's tax? *Yes if he sells in original pkgs preparations of his own manufacture*

Under what class or classes will the physician fall who purchases narcotics in original stamped packages, dispenses to his patients from that original stamped package, or manufactures a salve, remedy, or preparation under a secret formula containing some of the drug taken from the original package. Is he to be classed as a retail dealer, as a manufacturer, and as a practitioner, and pay the three taxes? *Only as physician if he merely dispenses and does not sell in original packages.*

3. Where is the line to be drawn as to the size of packages which will be classed as original packages? Are stamps to be placed on every package containing an ounce, whether that ounce is split up into smaller packages or not? For instance; there may be a carton of fluid extract of opium. The entire carton contains a gallon, but that gallon is divided into pint bottles. The tax stamp on the carton would indicate the amount of tax paid on its entire contents or all of the pint bottles. This carton then having 8 pint bottles is classed as an original stamped package. Any person selling from a carton a pint is a retail dealer. But that pint with no stamp on it weighs about one pound, or 16 ounces. How will the retail druggist sell from that pint bottle having no stamp to another dealer who presents an order form, and the second dealer know that the ounces of fluid extract he purchased came from the original stamped carton? *on the stamped by the original pkgs of less than 1 oz sold in carton on the carton of 8 oz or more R.D. cannot sell to another R.D. less than original pkgs. then R.D.*

If manufacturers sell in gallon bottles, or pound, or ten pound packages, puts a stamp on each bottle or package, is the retailer who makes up preparations under his own name, using the drug from the large package, to be classed as a manufacturer and place stamps on the new preparation? *if sold in original pkgs.*

4. The amendment places 1¢ on each ounce or fraction thereof of any compound, salt, derivative, or preparation thereof, produced in or imported into the United States. Does that mean that 1¢ is to be paid on one ounce of finished preparation, or on enough of the finished preparation containing the narcotic to make up one ounce of the narcotic? There may be 3 grains of morphine in a one ounce bottle of preparation. There are 480 grains in an ounce. It would take 340 bottles of the preparation to make up an ounce of morphine. *on each of of finished preparations not except by Sec 6*

If the tax is to be paid on each ounce or fraction thereof of a preparation, and the law seems to provide for that very thing, what size of container or bottle, other than an ounce is the Department to decide shall be used for preparations or compounds if the content of narcotic makes no difference? *Whatever the trade uses. no min. lots*



An importer brings into this country a case containing 1,000 one ounce bottles of some preparation containing in each bottle a fraction of an ounce of morphine. Is the importer to place one stamp on the case showing that the tax of \$10 has been paid or has he got to estimate the amount in ounces of morphine in the entire 1,000 ounces and pay tax on that alone?

If the importer now removes these one ounce bottles and packs them in smaller cartons, say 10 bottles to a carton, what will there be to indicate on each carton that the tax has been paid?

Again. Say an importer brings into this country crude opium. He tax pays the opium in that form. A manufacturer purchases from the importer the tax paid crude opium, but reworking it extracts the morphine, codeine etc. and packs those alkaloids in bottles or vials to sell to the retail trade. Should not the manufacturer tax pay these new products? In other words will not the manufacturer then pay a tax upon a tax paid article?

When does the tax of 1% become due, 30 days after the passage of the act or on July 1st? If not until July 1st how can sales be made of untaxpaid packages in the hands of persons already registered under the provisions of the amendment? Technically, will not our officers have authority to seize all packages not showing a stamp?

5. Have we authority to require by regulation that the manufacturers place on every package a caution notice? Can we require that manufacturers give every package a serial number, and when filling orders indicate on the original order to whom certain numbered packages were sent?

6. Does not this amendment provide for the affixing of stamps to packages containing preparations and remedies now exempt under Sec. 6? The amendment places a tax on every preparation containing a narcotic without reference to exemptions. Does that not mean that everything now exempt shall be tax paid, and if that payment must be indicated by a stamp, how will it be possible for a grocer, or any other dealer not permitted to register under the Harrison Law, to obtain or sell such remedies?

7. Sec. 1007 provides that a record be kept by the manufacturer, producer, or compounder, of preparations or remedies exempt under Sec. 6, and by dealers who knowingly sell the same (presumed to apply to sale of paregoric etc. when made for other than medicinal purposes). What does that word "knowingly" mean? Will not every dealer who sells these preparations claim that he was without knowledge that the preparation was to be used to satisfy a habit?

If that section requires records to be kept, is it not in contradiction to the first portion of Sec. 6, which states



that the provisions of this act shall not be construed to apply etc.? If records are to be kept of exempt preparations and <sup>no. liable</sup> those preparations are to be tax paid, is there anything exempt under the act as amended?

8. I think we should require importers, manufacturers, and producers to make a monthly return of all purchases and sales of narcotic drugs or preparations during the preceding month, and show the names, addresses, business, and place of business, or persons from whom such narcotic drugs or preparations were purchased, and the kind and quantity of each actually received by him during the preceding month. This in addition to the records as shown by the order forms on file. *This can be covered by the Regs.*

I think we should require manufacturers and producers to keep a book showing the name, and quantity of crude or unfinished drugs received by him during the preceding month, the amount left on hand of the crude or unfinished product, and the name and quantity of finished product manufactured, the number of stamps purchased, the number of packages removed tax-paid etc. the same as under the tobacco laws.

9. Does not Sec. 1317 in amending Sec. 3173 R.S. provide for every person to make a list or return (inventory) verified under oath to the collector of the articles or objects, including quantity of goods, wares and merchandize, made or sold and charged with a tax etc. authorize collectors to call for a complete list of all drugs and preparations, sizes of containers etc. manufactured and on hand at the date of the passage of the act, to determine the number of tax stamps which will be necessary to have printed to meet the demands? As it is now we have absolutely nothing to show how many packages of each size the manufacturers sell in a year. *yes + no. only requires that when applies. Tax not due until after July 1, 1919 or on*

10. Does Sec. 1309 mean that all persons of the classes paying not in excess of \$10, that is, retail dealers, physicians, dentists, and veterinarians, and other practitioners, may sign or acknowledge their return before two witnesses instead of under oath? If so what effect will that have upon those persons applying for registration who are not entitled to it and the Government instituting proceedings under Sec. 3451 R.S.

11. I believe that the only way we will be able to properly enforce the law as amended, will be to require that manufacturer place on every package put out by them, no matter what the size, a stamp showing the payment of the tax. If stamps are merely placed on cartons, cases, or various sized packages containing smaller packages, there will be no means of knowing whether the tax has been paid or not on those smaller packages when removed from the large container. I believe we have authority to do this under the amendment. and if we do it will tend to make the *The Regs can take care of them*



manufacturers as a whole reduce the number of sizes of packages to some standard, which this office should determine on. .

The administration of the Harrison law with the amendment is going to present many complex problems, and unless we decide on certain policies now it will be almost impossible to formulate regulations which will not have to be changed continually.

I think the most important thing to decide on first is whether or not all packages are to be taxed by manufacturers, without exception. I think they should be.

Then, whether or not preparations and remedies, now exempt under the law, are to be taxed. I think we have authority to *no* require this.

Another thing of importance is to decide on how the tax *only after* will be collected on the drugs and preparations in the hands of persons other than importers, manufacturers, or producers, *July 1, 1919.* when the act is passed, or on July 1st. Should we require all *and then not if at all* retailers to stamp up the goods? *dealers*

The provisions of the amendment will require that practically every form we now have, and the regulations, will have to be changed. It will also require several additional forms.

Respectfully,

*B. R. Rhee*

Chief, Narcotic Section.